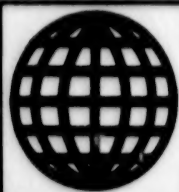


JPRS-SEA-89-034
26 OCTOBER 1989



**FOREIGN
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JPRS Report

East Asia

Southeast Asia

East Asia Southeast Asia

JPRS-SEA-89-034

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STATE OF CAMBODIA

Cooperation With GDR in Rubber Plantation

*BK1410120789 Phnom Penh SPK in English
1100 GMT 14 Oct 89*

[Text] Phnom Penh SPK October 14—The cooperation in rubber production between the State of Cambodia and the German Democratic Republic has brought to satisfactory fruition over the past years.

In furtherance of an agreement between the two countries for the 1986-90 period, the German Democratic Republic (GDR) has given a 17.5 million rouble credit together with construction materials and chemical substances to Cambodia for the restoration of 10,000 ha of rubber acreage.

Moreover, GDR has sent a number of its technical experts to help the latter in rubber plantation. It has also donated gratuitous aid, including fabrics, bicycles, motorbikes, and sewing machines, to Cambodian rubber workers to improve their living conditions.

Besides, the GDR has given scholarships for four Cambodian cadres for further study in rubber processing technology in the GDR.

Sweden To Give 27 Million Krona in Aid

*BK1410083989 Phnom Penh SPK in French
0408 GMT 14 Oct 89*

[Text] Phnom Penh, 14 October (SPK)—According to ADN, Mrs Lena Hjelm-Wallen, Swedish minister of

cooperation for development, has announced that Sweden will grant humanitarian aid worth 27 million krona to Cambodia.

Cambodia needs enormous financial resources for its reconstruction and to achieve national reconciliation, Mrs Lena Hjelm Wallen estimated, adding that Sweden also wished to take part in the UN aid program to Cambodia.

Aid Sent to Red Cross in Past Nine Months Detailed

*BK1910051589 Phnom Penh SPK in English
0411 GMT 19 Oct 89*

[Text] Phnom Penh SPK October 19—In the past nine months of this year, the Cambodian Red Cross received 11,000 tons of husked rice, seven trucks, nine tons of clothes, and a good number of medicine and construction materials sent as gifts from various international organizations.

The organizations include the World Food Programme, the International Committee for the Socio-Economic Development (CIDSE), the High Commissioner for Refugees (HCR), the International Red Cross, the Swedish Red Cross, the Swiss Red Cross, the GDR Red Cross, and the FRG Red Cross. Last year, Cambodia received 18,000 tons of husked rice, medicine, medical equipment, construction materials, trucks, and food from various international humanitarian organizations.

Suharto Urges Continued Industrialization

42130135b Jakarta ANGKATAN BERSENJATA in
Indonesian 24 Aug 89 p 1

[Text] Jakarta, ANGKATAN BERSENJATA—President Suharto said that the process of industrialization in Indonesia has gained strong momentum for faster progress in the future.

"We are progressing step by step in the improvement of our economic structure by emphasizing industrial strength that is supported by a vigorous agricultural sector, as directed by the GBHN [Broad Outline of State Policy]," the president said on Saturday [19 August] when he inaugurated 12 petrochemical plants represented by PT [Limited Company] Asahimas Subentra, Cilegon, Banten, and dispersed throughout Jakarta, West Java, East Java, and South Sumatra.

The president pointed out a number of impressive and rapid industrial advancements that indicate the rightness of policies we are now following, particularly the series of deregulation and debureaucratization policies. "We have created a better and more dependable business climate, which we must keep on improving."

These advancements also mean that our nation truly is able to develop industry. These advancements also demonstrate the improving abilities of businessmen, specialists, workers, managers, marketing personnel, and other capable people in the community. All of this strengthens our conviction that the industrial sector will be the main driving force behind development in the years to come.

The head of state expressed his appreciation to everyone who has played a creative role in the development of the industrial sector, enabling it to quicken the pace of our national economy. Their hard work and determination has had a part in accelerating this development.

We must try to keep expanding our capabilities and improving our human resources. The importance of this will be felt increasingly during REPELITA V [Fifth 5-Year Development Plan], which is the phase in which we lay a strong and firm foundation for our entry to the takeoff process in REPELITA VI [Sixth 5-Year Development Plan].

"We must depend more and more on human resources as we enter the takeoff process, for human resource potential is the dynamic strength of development," the president noted.

Not Labor Intensive

Meanwhile, Minister of Industry Hartarto said in his report that the petrochemical industry in general is capital intensive through the use of high technology, rather than labor intensive. The industry stimulates downstream industries, however, which generally are labor intensive.

According to Hartarto, the existence of the 12 chemical plants is significant to the government, for the capital investment of 27.69 billion rupiah, plus \$254.39 million, will result in the direct absorption of 1,332 workers.

Furthermore, their output is expected to save \$73.29 million in foreign exchange annually and earn \$47.6 million in foreign exchange every year.

These foreign exchange savings and earnings will be produced by PT Gema Polytama Kimia, for example, as reported to the president by the company's principal director, Fadel Muhammad. This plant, which has PMA [foreign capital investment] status and is located at Cilegon, West Java, will save \$8.75 million in foreign exchange per year and will earn \$14.95 million in foreign exchange annually. It needs 92 Indonesian workers and 5 foreign employees. The plant will produce 20,000 tons of polyol per year, of which 35 percent will be sold overseas and the rest used for domestic consumption. The plant began production in June and cost \$34.5 million.

On behalf of the 12 plants being inaugurated, Sudwikatmono, principal commissioner of PT Asahimas Subentra Chemical, gave descriptions of them. PT Asahimas Subentra Chemical (PMA) at Anyer, Cilegon, has an investment of \$197 million and annually produces 280,000 tons of EDC [ethylene dichloride], 150,000 tons of VCM [vinyl chloride monomer], and 70,000 tons of PVC [polyvinyl chloride], plus 130,000 tons.

PT Gema Polytama Kimia (PMA) at Anyer, Cilegon, has an investment of \$34.5 million. PT Polychem Lindo, which is under PMDN [domestic capital investment], represents an expansion from 14,000 tons per year to 21,000 tons per year with an investment of 5.8 billion rupiah. PT Bentala Agung Pradana (PMDN) at Sei Selincah, Palembang, has an investment of 10.56 billion rupiah and has a capacity of 60,000 tons per year. Both of these plants produce polystyrene.

There are three synthetic resin plants. PT Mulya Adhi Paramita (neither PMA nor PMDN) at Merak, West Java, produces 12,000 tons of latex/resin (synthetic dispersion) per year under an investment of 4.15 billion rupiah. PT Pardic Jaya Chemical (PMA) at Tangerang has an investment of \$2.46 million, and PT Justus Sakti (neither PMA nor PMDN) has an investment of 2.1 billion rupiah for producing 6,000 tons of unsaturated polyester resin per year.

There are two plants that produce special chemicals. PT Nalco Perkasa (PMA) has an investment of \$10.83 million and a capacity of 6,400 tons per year, and PT Pulosynthetics (PMA), located in Jakarta, has an investment of \$740,000 for expansion and produces 1,000 tons per year.

There are two plants producing surfactants/cleaners. PT Manyar Kimindo (PMDN), at Gresik, has an investment of 4.47 billion rupiah and produces 10,800 tons per year. PT Polekao Indonesia Chemicals (PMA), at Bekasi, is an

expansion unit with an investment of \$8.8 million and production of 17,100 tons per year.

Finally, there is PT Dirgantara Buana Sasana (neither PMA nor PMDN), a new plant in Jakarta, which has an investment of 599 million rupiah and produces hydraulic fluid for use in motor vehicle brakes at a capacity of 500,000 liters per year.

Yogie S. Memet, the governor of West Java, said in his remarks that he hoped the industries in his province will train people living around them, at least as part of the social function of the industries.

He said he felt the petrochemical industry still does not use enough local manpower, since it is a high-technology industry and not labor intensive.

The governor also reminded industrialists to see that waste from their plants do not pollute the environment.

The inauguration of the 12 plants was marked by the pressing of a button to sound a siren and the signing of 12 plaques. The ceremony was attended by Mrs Tien Suharto, Coordinating Minister for Political Affairs and Security Sudomo, Coordinating Minister for Economics, Finance, and Industry Radius Prawiro, Minister of Industry Hartarto, Minister of Information Harmoko, and Minister of Communications Azwar Anas. The inauguration program closed with a tour of the facility.

Sudharmono Urges GOLKAR To Support Economic Democracy

90OG0011a Jakarta *SUARA PEMBARUAN* in Indonesian 22 Aug 89 p 1

[Text] Jakarta, 22 Aug—Vice President Sudharmono, SH [Master of Laws], said that a system of economic democracy is a national concept and not a finished product. "Bringing it to realization is a long process demanding the efforts of us all. It demands the commitment, consistency, hard work, and determination of us all and a spirit of solidarity and family."

Vice President Sudharmono said this on Tuesday [22 August] at a meeting at South Freedom Palace with participants in the GOLKAR National Businessmen's Working Conference.

It must be noted, he continued, that in our efforts to create economic democracy we have established a clear position and have taken some definite steps, including some in the legislative sector. As we face subsequent phases of development, we actually possess many materials and much experience to prepare us. "I want to call on you to study again the Broad Outline of State Policy and the laws we have passed during the New Order period, particularly the ones relating to the economic sector."

We fully realize that we live in an international community experiencing a number of rapid changes that often we have not expected. These changes naturally affect our

own community. They may help us, but they may hurt us, too. "It is possible that steps we took in the past have now become irrelevant to our present or future objectives," the vice president said.

Adjustment

Sudharmono explained that it is the task of us all to adjust our actions to present challenges and objectives.

Again mentioning economic democracy, he said that the issue of even distribution is an aspiration we all have and is something we have announced as one of the principles of our development. It is the first component of the National Development Trilogy.

Another matter with a close relationship to even distribution is the even distribution of regional development, particularly in areas outside of Java where more serious and extensive attention and management are still needed.

At another point in his remarks, the vice president called on GOLKAR to lead the way with visible efforts to implement concepts on ownership of stock by cooperatives.

The National Working Conference is attended by the entire DPP [Central Executive Council], DPD [Regional Executive Council] leaders in the economic sector, GOLKAR experts active in business professional organizations, and other GOLKAR cadres, all of whom total 600 people.

Research Minister Urges Bigger Technology Budget

42130138a Jakarta *KOMPAS* in Indonesian 29 Aug 89 p 7

[Text] Jakarta, KOMPAS—Most of the national budget must be allocated for the development of science and technology and for engineering education, because Indonesia needs very large numbers of scientists in these fields every year. If we do not give attention to this, Indonesian products will not be able to compete with those of the industrialized countries.

Minister of State for Research and Technology Prof Dr B.J. Habibie said this in his speech of acceptance of an MBA [Master of Business Administration] degree from the Ninth Indonesian Management Development Institute (IPMI) and in his remarks to KOMPAS on Friday [25 August] at the Bank Duta Auditorium, where Minister of Cooperatives Bustanil Arifin was also present.

Such allocation is necessary, said Prof Dr B.J. Habibie, because the opportunity for future Indonesian economic progress is in the processing industries. The key to success in this sector will be Indonesia's ability to apply science and technology. This is particularly true of the design and production of goods and services appropriate to the rising consumer demand in rich countries.

Like it or not, priority must be given to the development of human resources by emphasis on education in science and technology. "We realize that efforts to meet this need are certain to face a number of big problems, especially because expenses for such students and their equipment and laboratory requirements are much higher than for students in other fields," he said.

Processing Industries

According to B.J. Habibie, the successes of Japan and West Germany have surpassed those of the United States because their economic growth is supported fully by science and technology education. The productivity and technology of Japan, where every year 20 percent of all university graduates are science and technology majors, are 10 years ahead of the United States, where only 6 percent of graduates are in science and technology fields. In West Germany, 37 percent of graduates are in science and technology.

In the opinion of the chairman of the Technology Research and Application Board (BPPT), this small number of science and technology graduates has caused the competitiveness of U.S. industries to fall, in quality as well as in price. "This is the true cause of the U.S. trade deficit," he explained. This situation has forced the United States to take emergency measures to overcome the problem through monetary policy, allowing the value of the dollar to fall against the Japanese yen and the West German mark.

What is the prospect for Indonesia? According to Habibie, figures on the 1987 economic structure show that agriculture employed more than half of the work force but, in constant 1983 prices, accounted for only 26 percent of the gross national product. The processing industry, which provides added value, accounted for only 14 percent and the mining sector only 13 percent. "The growth of the agricultural sector was only 2.7 percent, however, whereas processing industries grew at the rate of 6 percent," he said. This does not take 1988 exports into consideration.

Therefore, if Indonesia wants strong growth for facing the future, the only choice is to spur the processing industry sector. It has been clearly demonstrated that agriculture can provide only a 10 percent share of exports, while the processing industry's output provides 48 percent of all national exports.

B.J. Habibie told KOMPAS he did not know anything about complaints that the construction of technology projects is wasteful. Habibie said that even if there are economists who hold such an opinion he does not need to respond to it.

Liberalization of Foreign Role in Stock Market

42130138b Jakarta SUARA KARYA in Indonesian
28 Aug 89 p 1

[Text] Jakarta, SUARA KARYA—Limitations on foreign investments in the Indonesian capital market

should be reconsidered. The issue is now whether the 49 percent limit on sale of stock to foreign investors is relevant and whether the limit should be maintained. If not, why not merely set the market free so that the flow of foreign capital through this channel will be even greater.

This was the reaction of experts and capital market observers to the statement made by Minister of Finance J.B. Sumarlin on TVRI [Television Service of Indonesia] on Friday night [25 August] with regard to opportunities for foreign investors in the Indonesian capital market.

Experts and observers contacted by SUARA KARYA on Saturday and Sunday [26 and 27 August] agreed that the limitation is irrelevant because foreigners who invest through the capital market generally have no ambition to take over companies. What they seek is capital gain through buying and selling shares on the exchange.

"As far as management of the companies is concerned, they buy a company's stock because they have confidence in the present managers of the company," said an expert who did not want his name mentioned.

"If they actually want to take over a company, it would be hard to do, since the volumes of shares so far offered on the market are still minority quantities," said Kwik Kian Gie, a monetary economist well known in the country.

According to Kwik, the issue to be considered in connection with the role of foreign investors in the capital market is not the control of companies selling their stock but the consequences for domestic investors who "play" on the same exchanges. Because of the greater capital, skill, and experience of the foreigners, who are indeed very clever at manipulating markets, domestic investors will be hurt easily.

In his TVRI interview, Minister Sumarlin said there should be awareness of the importance of the role of foreigners who invest via the Indonesian capital market. First, they inject capital needed by our business community for financing productive operations; and, second, the participation of foreign investors will expand our capital market and its supporting institutions.

At the beginning of his remarks, Minister Sumarlin said that investments of 239 trillion rupiah are needed to support an annual economic growth of 5 percent during REPELITA V [Fifth 5-Year Development Plan] and that 55 percent of that amount is expected from the private sector. This means that the mobilization of community funds must be intensified. How will that be done?

It can be accomplished through credit transfers and time deposits and through the buying and selling of securities on the capital market. Sumarlin stated that the market is a facility that enables companies to get cheap long-term funds for expanding productive operations.

Particularly with regard to the foreign role in the Indonesian capital market, the minister said, "The present

policy is that foreign investors may buy up to 49 percent of the shares issued by a company."

The minister's statement on opportunities for foreign investors represented provisions now in effect on the capital market, namely that foreigners may own up to 49 percent of the total number of shares offered publicly and recorded on the market.

Very Great

Foreign investors have very great interest in the stock of Indonesian companies now being sold to the public. The president-director of PT [Limited Company] Inter Pacific Finance Corporation (IPFC), Supari Dh., released figures on the initial offering of stock by PT Bakrie and Brothers, which his firm is underwriting.

The stock, which has a nominal value of 1,000 rupiah per share and is offered at an initial price of 7,975 rupiah, has been oversubscribed by 552 percent. This means the total demand for the stock is 15,732,000 shares. "Of that total, 65 percent is by foreign investors, and the remaining 35 percent is by domestic investors," he said.

Supari Dh. said that the oversubscription had been expected initially, but the outcome was surprising. At the time the stock was offered to investors, there was a report that the stock of Bakrie and Brothers and a number of other companies was closed to foreign investors, which made investors, especially foreigners, hesitant.

In this connection, Supari Dh. referred to Minister Sumarlin's statement of 5 August about opportunities for foreigners in the capital market as a very positive sign and a factor behind the oversubscription.

With regard to the strong interest by foreigners, Kwik Kian Gie questioned whether the fundamental facts about the companies that are going public with their stock affect either the setting of prices or the interest of the community. This is particularly true of initial offerings at prices set by issuers and underwriters.

"There is apparently no relationship at all, and this is an interesting phenomenon to be watched and studied," he said, citing a number of examples.

Japanese Development Tax*42060068b Vientiane PASASON in Lao 15 Aug 89 p 1*

[Text] On 14 August 1989 the Lao and Japanese governments agreed on a new type of grant from the Japanese government for small construction projects. The grants are valued at approximately 4 to 5 million yen, or about \$30,000 per project. The projects are to begin in 1989.

The purpose of the new type of assistance is to construct small businesses for developing countries like the LPDR. The aim is to assist economic and social development in local areas and the grassroots, for example, the construction of hospitals, schools, underground water, water reservoirs, repair projects, and other projects crucial for raising the peoples's living standard.

Sisavat Keobounphan Accepts Handover of Australian-Aided School*42060068e Vientiane PASASON in Lao 16 Aug 89 pp 1, 4*

[Text] On the morning of 15 August a ceremony was held in the South Nongpan elementary school in Hatsaifong District, Vientiane Capital, to hand over the new building between the Australian embassy and Vientiane Capital. At the ceremony Mr P. A. Jackson, Australian ambassador to the LPDR [Laotian People's Democratic Republic], made a speech to hand over the building, and Mr Khampong Soulinphoumi, member of the party committee and the Vientiane Capital administrative committee and chief of the education section made a speech to officially accept the handover. Following this, Mr Sisavat Keobounphan, chairman of the Vientiane Capital administrative committee, presented commendations of honor to Ambassador P. A. Jackson.

Aid provided by the Australian embassy in the LPDR to the construction of the school building was valued at \$15,063.46 in U.S. dollars, or approximately over 9,000,000 kip. The Misai Company began the construction in early May and completed it in early July 1989.

The school is a standard one story building with tin roofing. There are five classrooms 5 meters wide and 8 meters long.

In addition to the aid mentioned for the building construction, the Australian embassy will also provide educational equipment such as 60 sets of desks and chairs, 5 blackboards, 5 sets of teacher's tables, and 2 file cabinets before the coming 1989-1990 academic year.

FRG, EC, Indochina Allies Send Rice Aid*BK1210112489 Vientiane KPL in English 0859 GMT 12 Oct 89*

[Text] Vientiane, October 12 (KPL)—2,000 tons of rice, aid from the government of the Federal Republic of Germany to people in three drought-stricken provinces of Laos, reached here on October 9.

This amount of rice is divided for the three provinces as follows: 465 tons for Khammouane, 1,014 tons for Savannakhet, and 521 tons for Champassak.

The delivery of rice to its final destinations, executed by the Lao transportation service company, will be completed within the next two weeks.

Ambassador of the FRG to Laos Dr Helmut Arndt, on October 11 went to Savannakhet to monitor the rice distribution.

It was also reported that this transportation company has recently transported 300 tons of rice to Luang Namtha Province. This was part of the second batch of over 3,028.6 tons of relief from the Japanese Government. The rest was already sent to Savannakhet and Champassak.

According to a review by the Lao authorities concerned, so far Laos has received more than 40,000 tons of relief rice from friendly countries and international organizations: 10,000 tons from Vietnam, 2,200 tons from Cambodia, 7,500 tons from the European Community, 5,000 from the United States, 5,752.8 (two batches) from Japan, 2,455 from Sweden, 1,227 from Australia, 2,000 from the FRG, 3,243 from Italy, 800 from CIDSE, and 1,000 from the World Vision.

Draft Agreement on Economic, Cultural Exchange With Laos*42070110d Bangkok MATICHON SUT SAPDA in Thai 27 Aug 89 p 21*

[Excerpt] [Passage omitted] **Thai-Lao Agreement on Economic, Trade, and Technological Matters**

The governments of Thailand and Laos have signed a draft agreement on forming a Thai-Lao/Lao-Thai Cooperative Committee to promote and implement things in accord with the spirit of the joint communiques issued by the governments of Thailand and Laos on 25 November 1988 and on 6 January and 4 April 1979. The objective is to improve fraternal relations between the two peoples and countries and expand economic, trade, cultural, scientific, and technological cooperation based on a respect for each other's independence, sovereignty, and interests and on mutual equality. The governments of the two countries have agreed as follows:

Article 1: The committee established by the two governments per the communique signed on 25 November 1988 will be responsible for promoting and expanding economic, trade, cultural, scientific, and technological cooperation between the two countries.

Article 2: The committee will be composed of a chairman, a deputy chairman, members, and a secretary in accord with the wishes of each side. In making appointments or changes, the other side must be notified within a suitable period of time.

Article 3: The duties of the committee are as follows:

To study and coordinate things based on the policies and agreements of the two governments on cooperation and the promotion of good mutual relations in order to formulate a joint line.

To discuss measures to facilitate economic, trade, cultural, scientific, and technological relations between our two countries in both the public and private sectors and at both the central and local levels. Things must be carried out based on the principle of equality and mutual interests and on the principle of respecting the independence, sovereignty, and laws of the other country.

To have members submit proposals and suggestions to their government concerning reaching agreements to promote and expand mutual cooperation.

To stipulate operating regulations for the committee in order to ensure that the work is carried out in accord with this agreement.

Article 4: The committee has the power to establish a subcommittee to formulate plans to monitor the results of the activities carried on based on this agreement.

The committee chairman will appoint the chairman, members, and secretary of the subcommittee.

Article 5: The committee has the right to invite representatives from public and private institutes and organizations and state enterprises at both the central and local levels to attend meetings to participate in formulating plans and carrying on things based on this agreement.

Article 6: The committee will hold a general meeting once a year, with the two countries taking turns hosting the meeting. Extraordinary meetings can be held if one side so requests.

Before each meeting, the committee chairman from the host country will submit the agenda to the other side at least 1 month in advance.

Article 7: As for the expenses incurred in holding meetings, the country hosting the meeting will pay for the food, lodging, travel within the country, and other items needed by the committee and subcommittee members. Those attending as guests are responsible for paying travel costs to and from the site of the meeting.

As for expenditures on joint projects started based on this agreement, agreements must be reached on a case by case basis.

Article 8: Committee members will report the results of each meeting to their respective governments for their approval.

Article 9: This agreement is effective as of the date it is signed.

If one side thinks that it is necessary to change, revise, or cancel this agreement, the side wishing to change, revise, or cancel the agreement must inform the other side of this in writing at least 6 months in advance using

diplomatic means. If both sides agree to the change or revision, the change or revision will go into effect on the date stipulated by the two sides.

As evidence of this, the signers, who have been granted power by their governments, have affixed their signatures.

Dated....day....1989. Two copies in the Thai and Lao languages, each of equal value.

Columnist on Future of Communism

42060068g Vientiane PASASON in Lao 16 Aug 89 p 3

[Excerpt] [Passage omitted] Later, as the socialist countries including the LPDR [Laotian People's Democratic Republic] were carrying out the new policy in order to strengthen their social expansion, the western world including the mass media instead saw this phenomenon as the giving in of the new regime to capitalist production, to wide-open democratic freedom and to political and economic reform, including involvement of the socialist nations with the outside world. Some newspapers in the west reported that "communism which began early in this century will no longer be with us in any form that we know of by early in the next century." Some wrote about the disappearance of the new regime or the beginning of the interment of our ideology of communism, etc. As we have mentioned before, such slander has its purpose. First, it wants to eliminate and to ease the struggle of the working people in those countries. It also wishes to develop resistance to the new regimes in socialist countries, in order to encircle them and inflict genocide upon them. These are part of the cold war being practiced by the west against the new regime.

Actually, although many socialist countries are facing problems, it does not mean that these troubles will eliminate the new regimes. On the contrary, they have learned how to solve the new problems in order to search for the excellence of socialism. Now and in the future, socialism will remain a true choice side by side with capitalism, and it will remain the path which the nations of the world dream of and aim for.

UN Aid To Technology Center

42060068c Vientiane PASASON in Lao 12 Aug 89 p 1

[Text] Construction of the rural technology center in Vientiane Capital which was aided by a UN development project valued at \$270,000 plus 6,647,000 kip from Laos has been completed, and was handed over to Laos on 10 August. Mr Oui Soumountha, deputy minister of science and technology, accepted the center from Mrs (Kahollong), the UN development project representative in Laos. Professor Souli Nanthavong, minister of science and technology, also attended the handing over.

The construction of the rural technology center began in 1987 in accordance with an agreement on cooperation between representatives of the Lao government and the UN development project in Laos on 26 May 1986.

The aim of the project is to carry out research and expansion of rural technology in line with the Lao government's policy to use achievements in science and technology to expand domestic technology.

Xieng Khouang Gets SRV Twin Province Aid

42060067a *Vientiane PASASON in Lao 8 Aug 89 p 1*

[Text] The agricultural equipment factory of Xieng Khouang Province, for which its comrade province of Nghe Tinh in the SRV provided the construction assistance, has been completed, and there was a presentation ceremony on 3 August.

The factory construction was valued at 177 million dong and included machinery to produce steel nails, plowshares, etc. The presentation ceremony included Mr Viangthamon Phommachan, a regular member of the party of Xieng Khouang Province, Mr Vo Sinh Hoa, a member of the party of Nghe Tinh Province, and cadres involved from both sides.

Savannakhet Economics Official on Gains, Losses

42060068d *Vientiane PASASON in Lao 11 Aug 89 p 2*

[Excerpts] Mr Bounnong Vongphachan, provincial party committee member and chief of the economic and financial planning section of Savannakhet Province, gave a report on the overall economic situation within the province for the first six months of 1989 to a meeting of the party committee and the provincial administrative committee. [passage omitted]

In addition to reporting on the new economic coloration of the province in the first 6 month period of this year, Mr Bounnong Vongphachan also reported on internal and external problems, where in early 1989 Savannakhet Province has faced many problems such as the aftermath of the drought at the end of 1988, and traces of the old mechanism and ideology reflected in a decrease in the gross national production. For example, there was a 0.7 increase in the gross social production in the first 6 months of this year as compared with that for 1988. However, the gross national income for the same time period was down by as much as 1.5 percent. The average work production increased by 6.7 percent. The average provincial income increased by 1.5 percent per capita at the population increase rate of 2.9 percent for the province of 586,000 people [passage omitted].

Xeset Dam Progress

42060067b *Vientiane PASASON in Lao 8 Aug 89 p 1*

[Text] The work of clearing the sites for the factory to produce electric power poles and for the power distribution station is now 100 percent complete. This is part of the project to build the Xeset Falls power dam in Saravane Province.

The clearing for these sites started at the beginning of 1989 and lasted 8 months. The work was valued at 25

million kip. The Lao Electric Power Enterprise is now preparing for construction and has been rushing to send in construction material and equipment on time.

Security Official on Enemy Operations in Hmong District

42060067c *Vientiane PASASON in Lao 8 Aug 89 p 2*

[Excerpts] [Passage omitted] Recently our group of reporters talked informally with the leader of the headquarters for the Public Security System of Hom District concerning peacekeeping activities in this area. He said that Hom District was affiliated with Vientiane Province and was a politically strategic district. The district had encountered many problems because its people were primarily Hmong who generally practiced dry field rice cultivation and whose educational system had not expanded; this provided an opportunity for bad people to resist the correct and just policies of our party and state. In addition the enemy was using this area for his movements and attracted a number of Hmong who had not learned of the policies of the party and who caused unrest in some areas so that the multi-ethnic people did not feel secure to carry on production to maintain their living standard. This situation demanded that the cadres and combatants of the Public Security Forces, especially every branch affiliated with Hom District, turn their attention to the people at the grassroots level so that the lower levels would be better aroused than in the past. The headquarters committee for the Public Security System of the district coordinated with the district's party committee and administrative committee in opening a congress to evaluate the situation and to discover the past causes of this difficult situation and what could have been done [to avoid it]. They were unified in finding that peacekeeping activities in the district were critical. It was most important to make the security network at the grassroots level broader and stronger than in the past so that Hom District would be peaceful.

This attention to the grassroots involved closely coordinating two activities: The first was to educate the people so that they knew the policies of the party, that they felt secure producing to achieve a steadily improving standard of living, that their patriotism and affection for the new system steadily increased, and that they took increasing care to resist the enemy's destructive schemes in many areas, especially his schemes to attract our Hmong to serve his evil schemes. [passage omitted]

By carrying out the will of this congress, in just the first 6 months of this year they were able to achieve a great deal in many areas despite many difficulties. Outstanding among these achievements was their coordination with the military of the district to twice suppress the bad faction; they killed 10, wounded 15, and captured 14. They seized 15 guns and some other equipment. They broke up six operations, in particular the operation to violate regulations by carrying on illegal free trade. [passage omitted]

Leadership in Constitution Drafting Committee

42060067d Vientiane PASASON in Lao
17 Aug 89 pp 1,2

[Text] In the morning of 16 August at the hall of the Supreme People's Assembly the committee to draft a constitution met for the first time to provide information about and arrange to carry out resolution No 16/K.M.S.Ph. of 3 August 1989 concerning the appointment of a committee to draft a constitution for the LPDR [Laotian People's Democratic Republic].

The constitution drafting committee of the LPDR is an organization which acts as the staff for the Politburo of the Party Central Committee and for the Supreme People's Assembly in doing the research for drafting a constitution. It is made up of the following individuals:

1. Comrade Nounhak Phoumsavan, a member of the Politburo of the Party Central Committee and Chairman of the Supreme People's Assembly, head of committee.
2. Comrade Phoumi Vongvichit, a member of the Politburo of the Party Central Committee and acting President of the Nation, deputy head.
3. Comrade Sali Vongkhamsao, a member of the Politburo, Secretary-General of the Party Central Committee and Vice Chairman of the Council of Ministers, member, member.
4. Comrade Thongsing Thammavong, a member of the Party Central Committee and Vice Chairman of the Supreme People's Assembly, member.
5. Comrade Osakan Thammatheva, a member of the Party Central Committee and Deputy Minister of National Defense, member.
6. Comrade Chaleun Yiapaoheu, an alternate member of the Party Central Committee and Vice Chairman of the Lao Front for National Construction, member.
7. Comrade Kou Souvannamethi, Minister of Justice, member.
8. Comrade Somphavan Inthavong, a regular member of the Supreme People's Assembly, member.
9. Comrade Phai Oula, a regular member of the Supreme People's Assembly, member.
10. Comrade Phou Lasaphon, a regular member of the Supreme People's Assembly, member.
11. Comrade Bounmi Papphavong, a regular member of the Supreme People's Assembly, member.
12. Comrade Vilaivan Phomkheo, the deputy head of the [Central Organizing Committee], member.
13. Comrade Sithong Chansomphou, the secretary-general of the central organization of the LPRYU [Laotian People's Revolutionary Youth Union], member.

14. Comrade Mrs Khemphet Phonsena, of the standing committee of the central organization of the Lao Women's Federation, member.

15. Comrade Noupbat Chounlamani, a member of the Supreme People's Assembly, member.

16. Comrade Viangsai S. Valit, a regular member of the central organization of the Lao Federation of Trade Unions, member.

17. Comrade Ket, the director of the law school, member.

The standing committee of this committee is made up of the following five individuals:

1. Comrade Nounhak Phoumsavan, head of committee.
2. Comrade Thongsing Thammavong, deputy head.
3. Comrade Chaleun Yiapaoheu, member.
4. Comrade Kou Souvannamethi, member.
5. Comrade Phai Oula, member.

Subcommittees were appointed to serve as staff for the constitution drafting committee as follows:

The subcommittee for politics, economics, and culture and social welfare:

1. Comrade Somphavan Inthavong, head of subcommittee.
2. Comrade Phou Lasaphon, deputy head.
3. Comrade Ket, member.
4. Comrade Davon Vangvichit, member.
5. Comrade Mrs Bounkham Ngaophasili, member.

The subcommittee for the state organization:

1. Comrade Phai Oula, head of subcommittee.
2. Comrade Vilaivan Phomkheo, deputy head.
3. Comrade Sithong Chansomphou, member.
4. Comrade Sanan Souvannasao, member.
5. Comrade Bounma Phonsanit, member.

The subcommittee for citizens rights and obligations:

1. Comrade Bounmi Papphavong, head of subcommittee.
2. Comrade Mrs Khemphet Phonsena, deputy head.
3. Comrade Viangsai S. Valit, member.
4. Comrade Khamkong Liamphachan, member.
5. Comrade Mrs Bounphon Heuangmani, member.

The constitution drafting committee is under the close supervision of the Politburo and Secretariat of the Party Central Committee. It has the following duties:

1. Do research, collect information and draft a constitution for the LPDR.
2. Sound out the opinions of the people, cadres, state employees, soldiers, police and the Party Central Committee about the constitution draft.
3. Bring recommendations to the attention of the Supreme People's Assembly for its consideration.

The constitution drafting committee has the right to call on the various levels of state organizations and mass organizations in order to collect information and documents necessary for drafting the constitution.

Real Estate Tax Regulations

42060068a *Vientiane PASASON in Lao*
14 Aug 89 pp 1, 3

[Excerpts] The entire land belongs to our national family inheritance as represented by the state which protects and grants rights to the use of the land to Lao citizens and aliens who reside in Laos, as well as to the main economic units including the ones with foreign shares. [passage omitted]

The real estate tax is collected from provincial and district municipal areas where there is no agricultural tax. The taxes will be used in housing construction, factories, stores and public services. Those who are obligated to pay the real estate taxes are individuals and legal persons who have the right to use the land. Persons here means Lao people of ethnic groups and aliens who reside in the LPDR. Legal persons here means state enterprises, collectives, state-private partnerships, companies that invest with foreign companies, private companies, and diplomatic and other international organizations. The people mentioned above will be exempt from real estate tax in the following cases:

- rice fields and gardens that have already been taxed;
- sites for houses of heroes and the handicapped resulting from the revolution;
- sites of state headquarters and organizations used as state administrative machinery, public parks, and other public land;
- property belonging to embassies and international organizations for which an exemption has been requested by the foreign ministry;
- temple land and cemeteries for all religions.

Individuals, all state economic and administrative units, collectives, state-private partnerships including aliens residing in the LPDR, foreign economic units, and foreign diplomatic organizations and international organizations that have the right to use land must report the

details of their land, the boundaries and documents, to the village tax cadres for the purpose of calculating the real estate tax.

Any individual or legal person who fails to report their land for the tax calculation will be called in for a warning.

If individuals and legal persons refuse to pay real estate taxes for 3 years, the state will seize their rights to use the land in order to give those rights to others.

Those who do not pay taxes on schedule will be fined a 5 percent late payment for each month in addition to the calculated payment.

Sisavat Keobounphan Signs Order on Taxes

42060068f *Vientiane PASASON in Lao* 16 Aug 89 p 1

[Text] According to the Council of Ministers plenum No 47/LPDR [Laotian People's Democratic Republic] on 26 June 1989 and the tax organization circular No. 310/TO on 5 August 1989, the Vientiane Capital administrative committee decided to inform the main business production units of the state, state-private partnerships, collectives and the private sector under the control of Vientiane Capital and the districts around the capital on the new tax system which will become effective on 15 August 1989, as follows.

1. Those who run production business and who have not yet registered their enterprises must register as quickly as possible and pay fees according to the regulations.
2. Those who have not yet made all their payments, or who have made a high profit and reported only a small one, must tell the truth and pay more.
3. Those who have smuggled merchandise in or who have illegal merchandise under their control must quickly report and pay their taxes.

All of the three cases given here must be implemented as of the day of the signing of the order until 30 August 1989. After this date, if tax officials inspect and find anyone who did not adhere to this order, they will be dealt with according to the measure specified in plenum No 47/LPDR on 26 June 1989. Vientiane, 9 August 1989, Vientiane Capital administrative committee chairman Sisavat Keobounphan.

Editorial Faults Progress on Land Transfers to Individuals

42060068h *Vientiane PASASON in Lao*
4 Aug 89 pp 1, 3

[Excerpt] [Passage omitted] The party policy on transferring land and forest to farmers for the purpose of cultivation is still too slow and has not yet obtained its significance. The main reason is that the general understanding of the people, for example, in the local organizations, is not sufficient. They have not been serious about applying the policy to transfer land and forests in

the grassroots. The farmers themselves have not yet understood their rights concerning the land and the forest. The land and forest have not yet received their real owners. Therefore, the life style in the rural areas of our country remains one-for-oneself, which does not produce goods or import goods. If this situation continues in the rural areas, it will be difficult to make the agricultural and forestry section into a goods production section. The farmers' problems will drag on.

Many types of work should be done simultaneously in order to make the policy of transferring the land and forest to the people an effective one. Each locality must inspect and resurvey the land and forest areas in their locality, and the transfer of ownership should then be

done in detail to departments, families and individuals, based on the actual ability in their investment in business production, and assuring that the land and forest given to them have true owners and are utilized effectively. Transferring of land by means of averaging out without taking into account actual ability in caring for it and in business production should be stopped.

In the area where there are small ethnic groups the land transfer should be related to the mobilization of settled occupations. The party's policy on ethnic groups should be implemented to help them to live a normal life, to take part in economic and social development and national defense, and to maintain peace in each locality at each mountain and at the border.

Officials' Views on Bases Agreement

42000001 Manila MANILA BULLETIN in English
12 Sep 89 p 17

[Text] Negros Oriental Vice Gov. Pelagio "Doding" Villegas Jr., national president of the Vice Governors and City Vice Mayors League of the Philippines (VGCVML) and deputy director-general of the League of Leagues, lamented the reported stand of UP President Jose V. Abueva, chairman of the Legislative-Executive Bases Council, for the immediate pull-out of the American bases.

"He should wait for the recommendation of the other members of the council," said Villegas who expressed the belief that termination of the bases agreement is not what the people want as they would overwhelmingly vote for retention in case of a referendum.

Statements about pullout of the bases are untimely because foreign investors and even donor nations of the Official Development Assistance (ODA) Funds and the Philippine Assistance Program (PAP) are now undecided about investing in the Philippines and are taking a stance of wait and see, until a treaty or another agreement is signed," Villegas said.

"Some business investors quarters feel that they should not invest in our country if the U.S. bases are pulled out because this might lead to the destabilization of the government of the Philippines," he added.

"We have to tackle the situation of the MBA in the most sober and unselfish manner, because this will greatly affect our government and our people whatever way we go in our decisions," he said.

Cebu Senior Board Member Antonio V. Garcia de Escano, national president of the Provincial Board Members Association of the Philippines (PBMAP), noted that Japan nationalized the bases on its territory, "which is what we should do in this country."

Lawyer Jose Malvar Villegas Jr., president of the People's Emancipation from Poverty Organization (PEPO) and secretary-general of the Lapiang Manggagawa (LM), said the council is supposed to be a fact-finding committee to seek a solution on the forthcoming termination of the RP-U.S. Military Bases Agreement (MBA).

The PEPO Movement, a multi-sectoral organization launched by the League of the Barangay Councilmen of the Philippines (LBCP), has made a stand that the American bases should be Filipinized and all military facilities should belong to the Philippine government upon the expiration of the agreement, he said.

If the American military forces are allowed to stay further, this should be under an agreement where the American government will be merely allowed to operate the bases for a certain period of time.

"This will be in consonance with the provision of the Constitution prohibiting foreign bases in the Philippines and establishing the Philippines as a nuclear-free territory

because of the ownership by the Philippine government of the bases," Malvar Villegas said.

Comments on U.S. Nuclear Weapons, Bases

42070110e Bangkok SIAM RAT in Thai 16 Aug 89 p 9

[Soi Suan Phlu column by Khukrit Pramot]

[Excerpts] Recently, there have been reports that Singapore has proposed that the United States establish a military base there. [passage omitted]

When ASEAN was first established, all members were very afraid of nuclear weapons and agreed that ASEAN would be a nuclear-free zone.

As for ASEAN being a nuclear-free zone, first of all no ASEAN country can have nuclear weapons of its own. Actually, nuclear weapons are not expensive. Anyone who wants such weapons can get them even if their budgets are tight. Thus, the decision on whether or not to have nuclear weapons does not depend just on resources. The decision also depends on other things, such as moral feelings and knowledge about the evils of nuclear weapons. These are the reasons why countries decide not to obtain nuclear weapons. [passage omitted]

The issue of nuclear weapons is an international moral issue. If any country says that it is not interested or does not care if there are nuclear weapons in its region, that country may be criticized as being immoral. Thus, when ASEAN was formed, this was one of the important issues raised. It was announced that ASEAN would be a nuclear-free zone. But that announcement is now of little concern, at least to Lee Kuan Yew, who has other more pressing concerns than nuclear weapons.

The United States did not obtain its military bases in the Philippines free of all conditions. The agreement calls for the United States to pay a huge sum of money to the Philippine government. This agreement is about to expire, and the two sides are discussing drafting a new agreement. The Philippines has demanded that the United States pay a much greater amount for maintaining its bases there.

From the statements made by the U.S. Congress and the U.S. Department of Defense, it seems that the United States is unwilling to increase the amount paid to lease these two bases. If the Philippines agrees not to raise the rent and allows the United States to keep its bases there, there will be no need for the United States to look for somewhere else, such as Singapore, to establish bases. If this problem does not arise, other problems, such as splits within ASEAN, will not arise either.

U.S. Cigarette Trade Issue

42070113d Bangkok SIAM RAT in Thai 8 Aug 89 p 9

[“Soi Suan Phlu” column by Khukrit Pramot]

[Excerpts] Thailand and the United States have not been able to reach an agreement on the cigarette trade and will

probably have to hold further negotiations. [passage omitted]

The problem is that Thailand has prohibited the import of foreign cigarettes. This prohibition has been in effect for a long time now. This began with the establishment of the tobacco monopoly here 30-40 years ago. [passage omitted]

While this argument is going on, American cigarettes are flowing into Thailand and are being sold openly as if they were legal goods. There has never been a shortage. Those who like to smoke American cigarettes have no difficulty purchasing them. Some people purchase them and use them as currency in other countries, particularly the East European countries. People who take one or two cartons of Kent cigarettes there can buy the "soul" of the people there.

During the course of this argument over cigarettes, the United States has said that if Thailand continues to prohibit the import of American cigarettes, the United States will raise the tariff on Thai goods entering the United States. It has threatened to raise the tariff so high that Thai goods will not be able to compete on U.S. markets. In response, Thailand has said that if it is forced to allow American cigarettes into the country, Thailand will stop buying tobacco from the United States. [passage omitted]

The opposition to cigarette smoking in the United States has had a bad effect on the cigarette industry and on the tobacco growing industry in the United States. A huge amount of money is at stake, and a large number of Americans make their living growing tobacco. It can be said that they are making a living at the expense of the health of others. But the fact is, tobacco growing is an occupation, and the production of cigarettes earns the producers huge sums of money. Billions of dollars are at stake.

As the opposition to cigarettes increases and more and more people stop smoking, profits from the production and sale of cigarettes will decline, and this will affect those who grow tobacco and produce cigarettes for a living.

Is it that the U.S. government wants to support the cultivation of tobacco and the cigarette industry for the benefit of those who make their living from tobacco and cigarettes? But because cigarette smoking is declining in the United States, the United States is threatening those countries that trade with the United States or that the United States can threaten on trade and economic matters to force them to allow American cigarettes to be sold there.

Now that the cigarette market in the United States is declining, the U.S. government is trying to find markets abroad. This makes it easy to understand the problem. But this also shows just how evil the United States is. [passage omitted]

Jewellers Fear U.S. Trade Restrictions, Plan Laos Move

42000165 Bangkok BANGKOK POST in English
11 Aug 89 p 17

[Text] Thai jewellery makers will relocate factories in Laos to maintain their strong presence in the world market and avoid possible repercussions if Thailand is subject to retaliation under Section 301 of the United States Omnibus Trade Bill.

Gem and Jewelry Manufacturers' Association vice president Prida Tiasuwan yesterday said major Thai manufacturers, including some with foreign-held equity, are considering relocating in Laos.

"My company is one of those studying opportunities to invest in Laos to survive the possible enforcement of Section 301 of the U.S. Trade Bill against Thailand," he said.

Laos is considered the most suitable country in Indochina for relocation because the Northeast of Thailand is now an important gem-cutting center.

Gem stones are mainly brought from the eastern region, especially Chanthaburi, to Sisaket and Ubon Ratchathani for cutting. The association helped establish gem-cutting villages in each to improve the living standards of local people.

Thai exports of gems and jewellery are targeted at 30,000 million baht this year and 40,000 million baht next year, however, with the U.S. attempt to pressure Thai trade, exports may next year fail to reach the target.

Association president Pornsit Sriorathakul earlier said no U.S. orders have been received for delivery during or after November when the U.S. will announce measures concerning Thai exports under Section 301.

Thai export volumes are therefore expected to fall unless buyers rush to make orders before the November deadline.

"Investment in Laos is practical because we may send materials from Isan for finishing in Laos, just over the Mekong River. However, this must be done carefully, taking into account the investment climate and guarantees provided by that country."

The value of exports and share in the world market has made Thailand the second largest exporter of both gems and jewellery.

Subin Comments on Prices, U.S. Trade

90OG0014b Bangkok SIAM RAT in Thai 3 Sep 89 p 3

[Interview with Subin Pinkhayan, the minister of commerce, by Kraisi Phuttharaksa; date and place not specified]

[Excerpts] [Phuttharaksa] During the past year, of what achievement are you most proud?

[Pinkhayan] During the past year, I have been able to hit the targets that were set when I first took this position. The first thing that I wanted to do as quickly as possible was to increase the incomes of the farmers and give them a chance to sell their produce at a good price. I have done my best. There are farmers who are still encountering problems concerning prices and so I have asked the government to provide help. The prime minister also gave me another special task to do. I am referring to exports. Exports are now earning huge sums of money for the country. This is one factor that has helped our country's economy to grow. I have monitored this closely. It is estimated that during the first 6 months of the year, exports have fulfilled or exceeded the planned norms. I am very happy with what has been achieved in this sphere.

[Phuttharaksa] What has depressed you the most since being appointed minister of commerce?

[Pinkhayan] I have never become depressed. There is much work to do. Prior to this, I had never had to take work home. I felt that the work should be done at the office. But after coming to work at the Ministry of Commerce, I had to admit defeat, because there is so much work to do that I can never get it all done during working hours. I have to take material home and work on it there. I regularly spend about 2 hours a night working on things at home.

There are problems, but I am doing my best to solve them. This doesn't bother me, because I know that it's natural to have problems at work. [passage omitted]

[Phuttharaksa] What steps have been taken to solve the problem of rising prices?

[Pinkhayan] Goods must be divided by type, such as foodstuffs or consumer goods. We have to study which types of goods have risen in price and are creating problems for people with low incomes. After we have obtained some answers, we can consider what steps to take to solve this problem for them. As for increasing their salaries, I don't agree with this even if we could do it. Because the price of goods would just rise even higher. Thus, I am against submitting such a motion to the government.

[Phuttharaksa] Would you go into greater detail about what help will be given?

[Pinkhayan] Suppose that a person has an income of 80 baht and that he spends 50 baht of this for food and the remaining 30 baht for housing and miscellaneous items. Can we reduce the cost of food so that he has to spend only 45 baht for food? How can this be done? These are the questions that I have asked myself. If someone else takes this position, I will raise these questions with him.

The same is true for consumer goods. I have raised the same questions. This is the most urgent problem for the person who takes this position. As you probably know, I appointed an inspector general to take responsibility for

this, because this problem calls for urgent action. Thus, we need a capable inspector general to monitor this.

[Phuttharaksa] What do you think about the oil problem?

[Pinkhayan] We have no control over the oil problem, because that is an external matter. But I think that we must continue to have a policy on an oil fund. Our economy is not prepared to deal with fluctuating oil prices. Our farmers don't understand why oil prices fluctuate daily. Another thing is that regardless of the refining or distribution system, our system is not ready for floating oil prices. If we do away with the oil fund system and allow oil prices to float based on world market prices, that will create many problems. Thus, we should maintain the oil fund policy in order to maintain oil price stability until such time that our economic system can handle floating oil prices.

[Phuttharaksa] This seems to be in conflict with the Sixth Plan, which calls for floating oil prices.

[Pinkhayan] I didn't say that allowing oil prices to float is bad. Naturally, if you buy something at a high price, you will have to sell it for a high price. But we are not yet prepared for this for the reasons given above.

[Phuttharaksa] Do you think that the trade problems with the United States will affect our exports?

[Pinkhayan] Trade protectionism in the United States and other developed countries is increasing. This is true for the United States and Europe. We have to accept this. The United States has a huge budget deficit. They have to try to find a way to reduce this deficit. As a result, they have implemented measures affecting all of their trading partners. Their trading partners throughout the world, and not just Thailand, are unhappy with these measures, because it's as if the United States is retaliating unilaterally. By principle, trade matters must be negotiated, such as in the GATT forum. But the United States has not done things that way. It has imposed Article 301, which is a unilateral action. The trading partners of the United States are unhappy with the United States for taking such action.

Thailand is on their list, too. They are constantly contacting us to ensure that we are dealing with them fairly. This November, they will announce whether they will use this measure against us. We are still in the process of negotiating with them and discussing whether we will do as they have asked. But this doesn't mean that we will give in to them on everything without asking for anything in return. We have asked them for things in return.

As for how the negotiations will proceed, after they send officials at the director level to talk with our officials in October, Thai officials at the level of under secretary will travel to hold talks there. If everything goes well, the prime minister will travel to the United States. But if the

talks have not gone well, I may have to go there to try to solve the problems before the prime minister goes there.

[Phuttharaksa] How are things going in opening a trade market in this region?

[Pinkhayan] Actually, people in the private sector are already trading with the three Indochina countries and Burma. Border trading is fairly active. Those countries want the basic goods that we can provide. We regularly sell such goods to them.

As for opening trading markets, as soon as both sides are ready, that will benefit both sides. We will be able to trade with each other directly without having to go through a third country. The volume of trade will increase. The population of our four neighbors totals more than 100 million people. If we can trade with them directly, we have the advantage over other countries, because we can produce the goods that they want. Moreover, our transportation expenses are lower than those of other countries, because we are closer. But there is one matter that we must consider carefully before opening trade markets. If we think only about selling large quantities of goods to them, we may forget that they might not have sufficient purchasing power. Thus, besides selling goods to them, we must help them restore their economies so that they will have enough money to buy our goods. [passage omitted]

Khukrit Comments on PRC Ties, Deng Leadership

42070114 Bangkok SIAM RAT in Thai 22 Aug 89 p 9

[Soi Suan Phlu Column by Khukrit Pramote]

[Excerpts] Today is the birthday of Deng Xiaoping. He is 85 going on 86. As one who knows and respects him and who remembers his great support for me in the past when building friendly relations between Thailand and China, I would like to congratulate him here.

Actually I do not have to write about him at all on this important day. But I have learned from my Chinese friends, of whom there are many, that a good person does not forget friends.

Deng Xiaoping is still in power after suppressing the massive protests during May and June demanding his resignation. These events were very unfortunate because he had worked for ten years to gain the trust and respect of the Chinese people. The events of just a few weeks destroyed the good feelings the people had for him to a great extent.

However this is just repeating what those outside the country have said or what the diplomats in Beijing who are not Chinese have said. There are hundreds of millions of Chinese. Who can say that they know the feelings and thoughts of the Chinese, of whom there are so many?

If one questioned the protesters or the friends of the protesters, it would be normal for their responses to be

critical of Deng Xiaoping and be very much in disagreement with his actions and position. [passage omitted]

The important members of the Communist Party, who are quite old, each knows that Deng Xiaoping's policy of bringing in young replacements is a good one. However most people are apt to covet power and hold onto power, and the older one becomes the harder one holds onto power. Therefore he is not now nor has he been greatly loved by the older members of the Communist Party. But he has been able to carry on without difficulty.

The modern economic system which Deng Xiaoping set up in China now seems a bit listless. This is unfortunate because it was on the point of expanding a great deal as far as we could tell. This situation seems to be only because foreign investors do not dare to invest now since they fear there will be political disruptions in China.

This fear is always apt to be there, but whether it passes or not, the confidence can be rebuilt.

There is no one to solve this problem or to bring the confidence back except Deng Xiaoping. Therefore what I wish for him today is that he will be able to solve the various problems he now confronts quickly.

And finally,

Happy birthday.

Trade Promotion Projects With Vietnam

42000005b Bangkok BANGKOK POST in English
18 Sep 89 p 17

[Text] Thai-Viet Invexim Co, a joint venture between Thai and Vietnamese investors, has started operations promoting trade and investment between the two countries.

Five projects are under negotiation, including steel production, forestry, consumer products, hotel and highway construction, according to Tawat Yipintsoi, a member of the Board of Trade's executive board.

Mr Tawat, also chairman of Thai-Viet Invexim, said the seven members of the company's executive board met on September 13 and agreed in principle on the company's policy and activities.

He said the company would have a registered capital of 10 million baht.

He added that the Vietnamese side would also set up a firm called Viet-Thai Invexim Co with a registered capital of 10 million baht as well.

Each party will hold a 60 percent share of their native firms and the balance will be owned by their counterparts.

Mr Tawat noted that at present, only a few Thais were successful in doing business in Vietnam, but with the establishment of the two new firms to promote trade and

investment, more Thai businessmen were expected to invest and do more business there.

There are now 50 Thai businessmen holding shares in Thai-Viet Invexim, and if any of these shareholders manages to make a separate joint-venture deal with Vietnam, he will have the right to hold up to 75 percent of the equity and the remaining 25 percent will be shared among the other 49 shareholders.

Mr Tawat said the Vietnamese Government would give a number of special privileges to Thai investors, but it did not agree to sell land to Thai investors and did not allow them to take profits out of Vietnam.

It, however, agreed to lease the land for factory construction for 30 years at special rates.

"We expect to sign the agreement with Deputy Minister of Economic Relations Le Van Triat in Bangkok next month."

Businessman Views Investment Opportunities in Vietnam

90OG0014c Bangkok MATICHON in Thai
5 Sep 89 p 5

[Excerpt] [Passage omitted] Mr Triwit Phumphuag, the managing director of the Thanini Trading Company, discussed investment possibilities in Vietnam. He said that at present, 90 percent of the investors in Vietnam are foreigners other than Thais. Moreover, these investors are prepared to invest immediately. But very few Thais are prepared to invest in long-term projects. Most are brokers, and some don't know what they are doing. After they have signed a contract, they can't open an LC [letter of credit] as stipulated. This damages their reputation. Similarly, Vietnam is allowing its businessmen, particularly those in southern Vietnam, to compete in buying and selling things.

Mr Triwit said that the great majority of investors in Vietnam are Indians, who have invested in textile plants. Australia has given aid to Vietnam on the communications front. It is expected that by next year communications in Vietnam will be equal to communications in other countries. Besides this, there are also investors from Hong Kong, Japan, Taiwan, and Korea, who are investing in electronics. One prominent Thai company in Vietnam is the Charoen Phokphan (CP) Company, which is involved in the production of animal feed. After Vietnam withdraws its forces from Cambodia, investors will think that Vietnam is at peace and so they will be ready to invest. This is because Vietnam has many natural resources.

Mr Triwit said that it is expected that Vietnam will soon announce a ban on the export of logs in order to employ as much domestic labor as possible. It will probably be difficult for private Thai investors or even government units to obtain concessions in Vietnam, because

Vietnam has a Ministry of Forestry at a time when Thailand has only a Forestry Department.

Mr Triwit said that people who want to invest in Vietnam should do the following: First, they should formulate specific investment goals and obtain data concerning those business activities. They can do this by contacting foreign trade representatives at the Vietnamese embassy. Second, they should study Vietnam's laws. Third, they should consider whom to contact, that is, who is responsible for investment activities there.

EGAT Official on Possible Joint Ventures With Laos

42000005a Bangkok BANGKOK POST in English
16 Sep 89 p 3

[Excerpts] Construction of hydro-electric dams in Thailand should be slowed down or even stopped because they are too costly and natural resources are dwindling, Prime Minister Office's Minister Anuwat Wattanapongsiri said yesterday.

A hydro-electric dam may cost as much as 4,000 million baht and it is far from certain if the dam would be cost-effective, Mr Anuwat said.

The Chart Thai minister said Laos has plenty of water resources, such as the Therng River, where dams could be built to generate 3,600 megawatt electricity.

Water from Laos could be sent across the Mekong River to farmland throughout the North and the Northeast of Thailand, he said.

"I think we can talk with Laos about joint investment (in water resources development projects) with help from ESCAP (Economic and Social Commission for Asia and the Pacific).

"The investment would be very cost-effective," Mr Anuwat said.

He said the Electricity Generating Authority of Thailand had agreed to such Thai-Lao investment.

The non-portfolio minister, who oversees EGAT's activities, said he will visit Vientiane to discuss in principle a joint Thai-Lao project to build a dam with the Laotian economic, energy and industrial minister after returning from Europe in November. [passage omitted]

Though a nuclear-powered electricity plant would take 10 years for its feasibility study and another 15 years for its construction, it would be cost-effective and cheaper than a hydro-electric dam, he said.

In Norway, he said, nuclear-powered electricity sells for 20 satang a unit, compared to more than one baht a unit in Thailand, which uses hydro-electric dams. [passage omitted]

Background to Bank Deal With Laos

42000005c Bangkok *THE NATION* in English
21 Sep 89 p 13

[Text] Joint Development Bank, a Thai-Laotian commercial bank, is set to open its first branch in Vientiane next month after year-long competition among Thai commercial banks for Laotian approval to provide banking services in the landlocked neighbouring country.

The bank, 70 per cent owned by Suwannee Paupairoj, a business tycoon in northeastern Thailand, and the Laotian authorities, will hold a ceremony to mark the opening on October 3. Laotian Prime Minister Kaysone Phomvihane will preside over the ceremony at the bank's branch on Lane Xang Road.

About 100 business people are expected to be there for the opening. Two Thai Airways International flights have been chartered to take the guests from Thailand to the Laotian capital.

Suwannee, whose diversified business interests cover several northeastern provinces bordering Laos, will be vice chairman of the bank. An aide of Prime Minister Kaysone will be the bank's chairman.

Joint Development Bank will receive assistance from the Union Bank of Bangkok, the adviser and trainer of staff. In the initial stage, the Thai-Laotian bank will employ about 20 people, including three Thai executives. Tavatch Kanthaset has been named managing director, and Sithichai Hongvanich has been appointed Tavatch's assistant. Sathien Netchanruang is chief accountant.

Joint Development Bank has a registered capital of Bt100 million, of which Bt30 million is paid up. Payment for the remaining Bt70 million will be called up shortly, now that the bank has invested in premises for the first branch in the Laotian capital.

Piyabutr Cholvicharn, president of Union Bank of Bangkok, said the new bank has set aside a Bt30 million budget for lendings. Another Bt60 million will be available for trade financing in the form of letters of credit for Thai-Laotian trade.

Piyabutr admitted that hyper-inflation in Laos poses a major barrier to doing business. At present, inflation in Laos is estimated at 60 per cent annually—a rate that sharply reduces the value of investments. The Thai currency is preferred among businesses in Laos.

Prayoon Poopat, chairman of the forex club, the Thai Bankers Association, said the current baht investments in Laos will become negative in the next two years if the inflation continues at 60 per cent. To help safeguard investor interests, Union Bank of Bangkok has opened accounts for the Joint Development Bank at its headquarters in Bangkok and Udorn Thani branch.

The external account system will allow the Thai-Laotian bank to transfer baht funds into Thailand to avoid hyper-inflation in Laos. The Bank of Thailand has given approval

to Thai commercial banks to open external accounts for Thai businessmen with connections in Laos.

The system is also helpful in protecting their interests against monetary, and inflationary risks in the neighbouring country where the currency, kip, is not strong. At present, Bt20 is worth 1,500 kip officially.

Thai partners in Joint Development Bank led by Suwannee are expected to hold talks with Laotian counterparts on further cooperation in the banking field. The Thai side has been trying to convince the Laotian authorities to float interest rates for both lendings and deposits, although Laotian officials prefer to regulate interest rates and impose ceilings.

The Thai delegation is also scheduled to meet the governor of the Laotian central bank and ministers in charge of economics and external trade.

Suwannee, who is chairwoman of Phomsuwan Silo Co, was among several Thai groups interested in setting up commercial bank operations in Laos. Thai banks also wanted to open representative offices in the neighbouring country. But the business tycoon was the only person granted approval from Laotian authorities.

Laotian Prime Minister Kaysone has promised to remove barriers against banking operations in his country. The clearing system, for instance, will be improved. In addition, he will solve problems associated with title deeds for land and buildings.

The Laotian government also announced that it would consider waiving taxes on building materials used to construct the two-storey building for the Joint Development Bank in Vientiane.

The Union Bank of Bangkok branch in Khon Kaen has already recruited six staff members for the Joint Development Bank. Another 14 people were recruited in Laos. All of them received training at the Thai bank's Khon Kaen and other branches between July 13 and August 31.

The training programme emphasized accounting practices, monetary and banking, lending and international activities.

Khukrit Comments on Cambodia Situation

90OG0015a Bangkok *SIAM RAT* in Thai
31 Aug 89 p 9

["Soi Suan Phlu" column by Khukrit Pramot]

[Excerpts] [Passage omitted] Now that the negotiations in Paris have failed, it seems unlikely that Vietnam will be able to keep its promise to withdraw all of its troops from Cambodia by the end of September. Vietnam will claim that there is still great unrest in Cambodia and that it can't, therefore, withdraw its forces. Vietnamese forces will have to remain there to maintain the peace and keep Cambodians from killing each other.

Or Vietnam may stage a fake troop withdrawal in order to maintain its reputation. But the troops withdrawn will be "fake" troops. The real troops will remain in Cambodia disguised as civilian farmers. When war comes, they will immediately take up arms, because they will have already been trained. [passage omitted]

Of the three Cambodian factions that oppose Vietnam and the Hun Sen government, the Sihanouk and Son Sann factions seem sluggish and never seem to be able to do anything. The faction that seems bent on continuing the war in order to take back Cambodia from the Vietnamese is the Khmer Rouge. This faction has received much support from China, a great power, and does not lack anything. Continuing the war there is the only way that the Khmer Rouge can return to power in Cambodia. [passage omitted]

Now that the negotiations in Paris have failed to achieve anything, China will have to continue helping the Khmer Rouge. Cambodia will divide into two factions, the Khmer Rouge and Vietnamese faction. The other factions will exist in name only. If this is the case, China will have to support the Khmer Rouge in its effort to liberate Cambodia from Vietnam. China will have to provide various forms of support, including weapons, money, and food. Thailand won't have to do anything except to provide access to enable this aid to flow to the Khmer Rouge. Some people will say that this is not correct. But international politics today is filled with lies. No one ever speaks the truth.

As for the United States, in theory the United States supports Prince Sihanouk. But the United States hates the Khmer Rouge and has said that if a free Cambodian government is established, the United States does not want the Khmer Rouge to play any part in that government. In view of this, the United States will probably support only those Cambodian factions that have nothing to do with the Khmer Rouge. The United States may provide weapons and money to the Sihanouk and Son Sann factions. We will have to watch and see who provides more aid, the United States or China, and who will aid its faction in killing those who belong to the other faction. [passage omitted]

Gem Trade With Cambodia

42070110a Bangkok MATICHON in Thai
16 Aug 89 p 6

[Excerpts] [Passage omitted] Mr Somdet Chenchang, a major emerald dealer in Chanthaburi Province, told MATICHON that [passage omitted] some gem dealers in Chanthaburi are trying to purchase gems in Battambang. But they have not had much success, because the Cambodian government has a monopoly on the gem trade there and it sells stones for a very high price. Two gem dealers, Mr Komon Priyasaksakun, or Sia Koi, and Mr Ckamnian Chaiyaripu, flew to Vientiane, Laos, and then continued on to Phnom Penh and Battambang.

Mr Somdet said that he purchases emeralds on the Chanthaburi market. He has not gone into Cambodia like other dealers. After he purchases gemstones, he hires people to cut the stones and then sells them. But he has encountered problems on foreign markets. Hong Kong, Korean, and Japanese dealers no longer come to purchase stones in Thailand as they once did. In the past, on the weekends, Sichan Road, which government officials nicknamed the "gemstone road," was filled with gem dealers from Bangkok and from other countries. But now, few come. Because few foreign dealers are coming, prices have fallen 40 percent, that is, the price per carat has dropped from 10,000 baht to 6,000 baht.

Mr Somdet said that he is an expert in emeralds and sapphires. Now that it is difficult to obtain gemstones from Cambodia, he is trying to purchase sapphires from Nigeria, Africa. People are smuggling sapphires out of Nigeria and selling them in Thailand. [passage omitted]

NSC Disapproves Cambodia Border Crossing Points

90OG0014d Bangkok MATICHON in Thai
1 Sep 89 p 4

[Excerpt] [Passage omitted] A report from the National Security Council (NSC) stated that at its 29 August meeting, the NSC passed a resolution not to allow the opening of temporary border crossing points to facilitate the import of timber and transport of logging equipment in Bo Thong Subdistrict, Kaninburi District, Prachinburi Province, Tanaosi Subdistrict in Suanphung District, Ratburi Province, and Sa Tron Subdistrict, Soi Doi Branch District, Chanthaburi Province. This request was made by the Chakrakkumthong Sawmill Company, the manager of which is Mr Chaiphon Iamwasan. The company wanted to send 50 saws, 20 tractors, and 60 vehicles and carts to Cambodia in order to carry on logging operations in its concession areas opposite these border crossing points. From the documents presented by the company, it was unclear whether the company had received permission to carry on logging operations in Cambodia. For example, it did not have a logging contract or a trading contract.

Besides this, those at the meeting also passed a resolution not to open a border crossing point in Soi Dao Branch District, Chanthaburi Province, for the Ruam Phana Thai Import-Export Company, which is managed by Mr Winai Wongthirawit. This is because a secret military intelligence unit had reported that a Gen Kuang Nik of the government of Democratic Kampuchea [sic], or the Hen Samrin Government, had signed a contract with the company on 10 June 1989 granting the company permission to a logging concession in Pailin District in Cambodia. The unit had never heard the name of this general before and so at the meeting it was felt that this general probably existed in name only.

The Ruam Phana Thai Company had requested that this border crossing point be opened in order to transport logging equipment into Cambodia. For example, it

wanted to send 4 tractors, 6 vehicles to haul logs, and 30 trucks, and 30 saws to carry on logging operations in Cambodia. This contract stated that the company had a 5-year concession starting in 1989.

The report also stated that one important reason why the NSC decided not to open this border transit point was that the NSC was not sure whether the Cambodian government had really signed a logging contract with the Thai company. Also, at the meeting, no one could confirm that this was the policy of the Cambodian government.

The report stated that prior to this, the Sahaririya Group had submitted a request to the Ministry of Commerce to import timber from Cambodia without having to have a certificate of origin (CO) and was told that it could do this. Following that, the Sahawiriya Group sent another letter stating that the Cambodian government wanted the company to pay for the timber with cement, construction materials, and trucks. The Ministry of Commerce told the company that it must first obtain permission from the NSC to send these items, but the company did not respond.

The report stated that there are now several companies that are buying timber from the government of Democratic Kampuchea [sic]. One of these is the company of Mr Thanit Traiwut, a Thai Nation Party MP from Trat Province.

Columnist on Evolving Relations With Hun Sen

90OG0015d Bangkok THAI RAT in Thai 7 Sep 89 p 5

["Slap in the Face" column by Pleo Si-ngoen]

[Excerpts] The Cambodia problem has been a problem for more than 10 years and so it obviously can't be solved in just 1 day. Today, many people do not think that Thailand should become more deeply involved in this by hosting a meeting of the four Cambodian factions. But Gen Chatchai Chunhawan has expressed support for this. In this, the prime minister, who is an elected prime minister, is setting a good example, that is, he is listening to the voice of the people.

The question is, now that the image of the Heng Samrin-Hun Sen faction, which is backed by Vietnam, has improved, with this stemming in part from the policy of Thailand, or the "policy of Gen Chatchai, what have we gained?

We have to admit the truth and recognize the honest intentions of Gen Chatchai, who has taken the steps he has "for politics and trade and the good of the country. It is not just the Hun Sen faction that has benefited. Thailand has benefited, too. [passage omitted]

Thailand and the Hun Sen faction have begun to view each other in a more positive manner. Relations between our two countries, which share a common border, have begun to improve. Thailand's future regarding services

and tourism looks brighter. It can be a base from which people can visit such historical sites as Angkor Vat, Angkor Thom, and even Khao Preah Vihear. [passage omitted]

If his policy of turning the battlefield into a marketplace is to bear fruit, Gen Chatchai will have to deal with the Hun Sen faction and pay more attention to it than to the Sihanouk, Son Sann, or Khmer Rouge factions. The Hun Sen faction controls land and people and has a government that can negotiate and engage in trade. This is different from the other three factions, which have nothing.

If Thailand deals with the Hun Sen faction, it will gain the friendship of Vietnam, Laos, and the Soviet Union. The fact is, if the Cambodians can't reach a compromise, whoever is stronger will win. They are the ones who will find protection in the words the "Cambodian nation." [passage omitted]

Even if the Sihanouk, Son Sann, and Pol Pot factions form a government to administer Cambodia, Thailand should not think that these people will be grateful to Thailand for its help. Pol Pot and Sihanouk have "bitten" us in the past many times. Don't people remember that? And so why should we have anything to do with "traitorous politicians?" [passage omitted]

MP Seeks Permission for Cambodia Timber Trade

90OG0015b Bangkok MATICHON in Thai
8 Sep 89 p 4

[Excerpt] [Passage omitted] Mr Thanit Traiwut, a Thai Nation Party MP from Trat Province and the manager of the P. Phaibun Company Ltd, said that the Thai Commerce Bank has asked the Bank of Thailand for permission to prepare a currency import-export certificate (EC) so that the Customs Department will allow the company to pay its debt based on the timber purchase agreement signed with the Heng Samrin government. The company agreed to purchase 4,000 cubic meters of logs for approximately 10.2 million baht. The company is supposed to pay the money to the account that the Cambodian government opened at the headquarters of the Thai Commerce Bank.

Mr Thanit said that the company agreed to pay the following prices: \$90 per cubic meter for small logs, \$100 per cubic meter for medium-sized logs, and \$110 per cubic meter for large logs. The company planned to bring the logs in through the Khlong Yai customs checkpoint in Trat Province. But the logs had to be transported into international waters before they could be brought in through this checkpoint.

A report from Trat Province stated that the V.N.P. Company of Mr Prawet Thawiphon, which purchased 500 cubic meters of timber from Cambodia last March, has still not been able to bring the timber into the country. It has requested permission to truck the timber

across the border to Bangkok, but the Customs Department has refused to grant permission. Because if Thailand opened a Thai-Cambodian border transit point, that would be tantamount to recognizing the Cambodian government at a time when the security situation does not permit that.

Finance Ministry Views on Private Investment in Electricity Sector

90OG0015c Bangkok NAO NA in Thai 11 Sep 89 p 4

[Text] A news source in the Government House talked about the policy views submitted to Mr Pramuan Saphawasu, the minister of finance, on increasing the role of the private sector in producing and distributing electricity. The news source said that ministry officials feel that the private sector should focus initially on selling the excess electricity produced by the plants that is obtained from the cogeneration system. Or it should focus on producing electricity using waste materials and agricultural by-products in order to sell electricity to the Electricity Generating Authority of Thailand (EGAT).

As for having the private sector invest in building power plants to sell electricity to the system directly, there is a question about whether this is the right time for that. Because even though private investment would reduce the state's foreign debt burden, that would still be a burden on the country.

There is also concern that the private sector will lose money if it buys old power plants from the developed countries that have turned to using nuclear power plants. Thus, the government feels that it would be better to obtain the cooperation of other countries in building power plants.

Australia has already been contacted, and it appears ready to provide support. But the government must determine the most suitable form of investment. It may allow other countries to build the power plants themselves and later sell or transfer them to EGAT.

If they are sold back, what will be done is to deduct the cost of the electricity sold to EGAT during the period stipulated in the contract. That would be the buy-back price. The Ministry of Finance feels that regardless of what method is used, this must not create more debt for the country.

The National Energy Policy Commission has established a committee headed by Mr Pramuan Saphawasu to discuss ways to enable the private sector to invest in 10 urgent electricity production projects during the period of EGAT's Sixth Plan in order to reduce the state's investment burden. These projects will be continued, but several more meetings will have to be held to discuss the methods, forms, and starting times.

Editorial Views Stock Exchange Rule Change

90OG0014a Bangkok MATICHON in Thai
9 Sep 89 p 8

[Excerpts] [Passage omitted] On 7 September, stocks worth a total of 2851.03 million baht were traded on the securities exchange, the greatest amount in the 14-year history of Thailand's securities exchange. The stock price index shot up to 705.20, an increase of 80 percent since the beginning of the year.

This shows that the stock market is now very active, as Mr Maruai Phadungsit, the manager of the Securities Exchange of Thailand [SET] has stated. Thus, the Commission of the SET has issued a resolution to increase the margin rate from 70 percent to 90 percent, which means that people must put up 90 percent cash and can borrow only 10 percent to purchase stocks. This went into effect on 11 September. This is a major adjustment in the margin rate. In the past, it was adjusted in increments of only 10 percent. In May, the margin rate was increased from 50 percent to 60 percent, and in July it was increased another 10 percent to 70 percent.

Mr Maruai said that the margin rate was increased in order to warn investors to be more careful in buying and selling stocks, because the securities market is very volatile. Playing the market on a short-time basis by buying and selling frequently causes the volume of trading and price levels to change quickly.

Something worth noting is that the number of individual investors in the market this year is estimated to be approximately 440,000 people, and many of these are probably new investors. The question is, Are these people receiving adequate information on which to base investment decisions? About 4 million baht worth of securities have been purchased on credit. That is, that they have not used their own money to purchase these securities, which is what they should be doing. This is worrisome even though this seems like a small amount of money as compared with the total volume of sales, which is expected to reach 300 billion baht this year.

Thus, increasing the margin to 90 percent is a good decision. [passage omitted] If the stock price index continues to rise rapidly, given the market's present weakness and volatility, this could be dangerous and affect the securities market, which is a financial institution of great importance to national development.

Technology Imports, Payments for Copyrights

42070113a Bangkok NAO NA in Thai 15 Aug 89 p 14

[Excerpt] [Passage omitted] A report from the Bank of Thailand stated that the country's production sector still has to rely heavily on other countries. This is evident from the amount of money the country has had to spend on imported technology and on patents and copyrights to produce goods. The amount of money spent on these

things has increased constantly. During the 2 years of rapid economic expansion here, technology purchases have skyrocketed.

In 1988, we spent a total of 3,441.1 million baht on technology, patents, and copyrights as compared with 2,382.8 million baht in 1987 and 2,081.8 million baht in 1986.

Technology purchases in 1986, 1987, and 1988 were 831.6, 929.3, and 1,208.9 million baht respectively. Purchases of patents and copyrights in 1986, 1987, and 1988 totaled 1,250.2, 1,443.5, and 2,233.2 million baht respectively.

Thailand purchases most of its technology from Japan. Last year, it purchased technology worth 429.7 million baht from Japan. This was followed by purchases from the United States, which totaled 192.8 million baht, England, 147.8 million baht, the Netherlands, 140.2 million baht, and Switzerland, 56.7 million baht.

Most of the money spent on patents and copyrights also goes to Japan. The breakdown was as follows: Japan, 1,067 million baht; the United States, 565.3 million baht; Switzerland, 157.2 million baht; England, 110.0 million baht; and Germany, 75.6 million baht.

By sector, most of the technology purchased by Thailand is for the textile industry. By sector, the amounts were as follows: textiles, 226.2 million baht; food and drink, 154.9 million baht; electrical equipment, 81.2 million baht; chemicals, 76.9 million baht; and motor vehicles, 70.4 million baht.

As for patents and copyrights, the breakdown is as follows: motor vehicles, 524.6 million baht; food and drink, 239.8 million baht; cosmetics, 213.7 million baht; vehicle tires, 176.3 million baht; and electrical equipment, 153.4 million baht.

In the oil industry, the amount of money spent on imported technology has actually declined from a high of 7.3 million baht to only 3.6 million baht last year. In no sector has the amount spent on patents and copyrights declined.

Amnuai Wirawan Comments on 7th Development Plan

42070113c Bangkok NAEON in Thai 21 Aug 89 p 8

[Interview with Amnuai Wirawan, chairman of the board of Bangkok Bank and chairman of the National Economic and Social Development Board, by Chumchun; date and place not specified]

[Excerpts] Amnuai Wirawan has held several positions in both the public and private sectors, including director-general of the Customs Department, under secretary of finance, minister of finance, and chairman of the board of Saha Union Group. He is now chairman of the board of Bangkok Bank. His office is located on the 26th floor of the headquarters building of Bangkok Bank.

In July, he was appointed chairman of the National Economic and Social Development Board, not because of the prestige of his position at Bangkok Bank but because of his past achievements as minister of finance. The development council has asked former finance ministers to serve as chairman so often that this has almost become a tradition.

After being appointed to a public position once again last month, the chairman of the development council caused a stir when he gave a speech to foreign businessmen on the topic "Changing the form of the State Enterprises." He called for increasing the role of the private sector in the state enterprises. And what he meant by the "private sector" was the private sector in general, not just political cronies.

But he does not talk about changing form in this interview. Here, he looks at the economy in general and how to develop the economy.

[Chumchun] How do you view the development of Thailand?

[Wirawan] [passage omitted] In carrying on things based on the last development plan, we managed to hit most of our economic expansion targets. But we failed to hit the targets concerning distributing income and raising the standard of living. That is, we still aren't sure whether things have improved or not.

Income distribution depends in part on the level of agricultural prices. This is because most Thais are farmers. Even though the importance of the agricultural sector has declined, most Thai workers still work in the agricultural sector. If agricultural prices are low, the income gap will be very wide. Today, the prices of agricultural products are very high and so that gap has narrowed. But there are no clear data on this. We are studying the data.

[Chumchun] What will be the line of the Seventh Development Plan?

[Wirawan] The high rate of growth will be sustained. We will emphasize the ability to compete on world markets. We will stress self-reliance and the mobilization of efficient resources. Greater emphasis will be placed on savings and domestic investments. That does not mean that we will prohibit foreign investment. We still need that. But we need greater domestic investment. Thais must play a greater role, and the benefits of development must be distributed more evenly.

The quality of people must be improved. That is, the Sixth Plan stressed providing jobs. Because during the period of that plan, another 3.9 million people entered the labor market. There was a fear of unemployment. But now that the economy has grown, this problem has faded away. The problem now is how to make more beneficial use of our human resources. For example, the eastern seaboard development project lacks skilled laborers. We must develop our people.

[Chumchun] What is the framework of the Seventh Development Plan?

[Wirawan] The Seventh Development Plan will focus on four points. First, it will be a guiding plan. That is, it will not simply list things that must be done. It will be a strategic plan that can be used to manage things. A plan is only as good as those responsible for implementing it. A plan is just a document. If a plan is bad but the managers are good, things will be all right.

Second, emphasis will be placed on ways to hit the planned targets. Clear policies must be recommended.

Third, action plans that will produce results must be formulated. That is, there must be close coordination between theory and practice. Things must be feasible, and there must be a coordination of political, economic, and social interests.

Fourth, the plan will set priorities regarding what things need to be done first. If problems concerning resources arise, some things may have to be limited.

We have 2 more years yet. Formulation of the plan must be completed by 1 October 1991.

In formulating this plan, we are gathering ideas from people in all groups, that is, from scholars, government officials, politicians, the private sector, and the mass media. The development council will be just an advisor or a work team that will formulate the plan by mobilizing ideas from various sources and then submit the plan to the cabinet, which is the highest administrative body in the country.

[Chumchun] Will Thailand become a NIC [newly industrialized country]?

[Wirawan] Actually, Thailand is oriented more toward the service industry. In the economic system, services account for approximately 48 percent. Industry has grown rapidly. Industry accounts for approximately 35 percent. Agriculture, on the other hand, has declined to only about 17 percent.

What we must focus on is maintaining the economic balance among the various sectors. We don't want the production of agricultural products to decline to the point where we can no longer export agricultural products. We should maintain our position as a food exporter. As for the production and service industries, these are important engines of growth that must be expanded in a balanced manner.

In developing the country, we must look at world markets, too. The present NICs became NICs because they could easily penetrate the U.S. and Japanese markets. But it is no longer easy to penetrate those two markets. That time is past. Their policy is to increase exports and reduce imports. Otherwise, the United States, for example, won't be able to bear the debt burden. The European Economic Community will form a single market and will probably give greater attention to

internal markets. It will trade with outsiders, but internal trade will be greater than external trade.

Our problem is how to penetrate foreign markets. Otherwise, it will be difficult to sustain the level of economic growth as targeted. But there are factors that will help us to do this. In the east Asian countries, for example, the problem is that production costs are high. They have had to turn to investing in other countries that have good competitive efficiency and low production costs and that can compete on the markets or that have adjusted their industrial structure. Countries with low production costs like Thailand can penetrate markets. The common market won't expand, but there will be replacements.

Even better, Thailand must try to produce things itself. We must invest and export things ourselves. Or we can cooperate with other countries in such a way that we will get a greater share of the profits.

We will be able to take advantage of this situation only if politics and the economy are stable, there is a stable supply of raw materials whose prices do not fluctuate wildly, and there is an adequate and efficient infrastructure with respect to communications, transportation, and energy.

Besides this, we must improve production efficiency. In the agricultural sector, for example, steps must be taken to increase yields per rai. We can't increase the crop cultivation area. In the industrial sector, we must find ways to reduce per-unit production costs, improve the quality of the workers, and increase research and development. Because in the long term, research and development will be of great benefit in marketing our products. People in both the public and private sectors must be made aware of the importance of this.

In the past, only a few people saw the importance of exports. But now, everyone knows that exports are the country's lifeblood. Our country will definitely become an industrialized country. Thus, we must actively promote research and development.

[Chumchun] If we do become an industrialized country, what type of industrialized country will we be?

[Wirawan] The various types of industry must be clearly differentiated. To see where we will place the emphasis, we will have to look at our human resources, at technology, and at competition on world markets. We have to see what our capabilities are and in what sectors we are ready.

I can't give you a clear answer. But I think that the agricultural industry will be one of the leading sectors, because we have a strong agricultural base. [passage omitted]

As for production industries, in order to perfect things throughout industry, we must promote the parts industry in order to support industries at the end of the line. There must be parts that can be used to produce finished products. Thus, we must attach importance to small

industries. The tax system and the basic services provided by the state must support this. [passage omitted]

Long-Term Energy Plans, Reactions to Nuclear Power

NESDB Official on Strategy

42070112 Bangkok SIAM RAT in Thai 22 Aug 89 p 6

[Text] Mr Phisit Phakkasem, the secretary general of the National Economic and Social Development Board [NESDB], disclosed that those attending the meeting of the National Energy Policy Committee on 21 August discussed the electricity situation. They discussed revising the master plan of the Electricity Generating Authority of Thailand (EGAT) in order to solve the power shortage problem. EGAT submitted a new master plan composed of two lines. That is, the electricity generating capacity will be increased as already approved by the Sixth National Economic and Social Development Plan. EGAT will generate more electricity than the installed generating capacity. Technologically, some power plants can generate more electricity than the installed generating capacity. Also, power plant maintenance plans will be revised by postponing closures, means will be found to purchase electricity from Laos and Malaysia, and measures will be implemented to make more efficient use of the electricity.

The implementation of this new plan will eliminate the energy shortage predicted for May 1990. It had been predicted that there would be an electricity shortfall of approximately 1.3 percent. This revised plan will make it possible to generate an additional 750 megawatts of electricity. Instead of the reserve amount being a negative 1.3 percent, the reserve generating capacity will be 10 percent. Besides this, the use of different electricity rates depending on the time of day (TOD) will help reduce the use of electricity during peak use periods.

Mr Phisit said that at the meeting, Gen Chatchai Chunchawan, the prime minister, asked that a strategy be implemented for purchasing more electricity from neighboring countries. The committee passed a resolution to have EGAT stipulate measures to encourage those industrial factories that have their own generators to sell electricity to EGAT from 1830-2030 hours. EGAT must work out the details and inform the industrial factories.

Official Comments on Plans for Nuclear Reactor

42070112 Bangkok SIAM RAT in Thai
24 Aug 89 pp 5, 12

[Excerpt] [Passage omitted] In his capacity as the person in charge of monitoring the activities of EGAT, Mr Anuwat Wattanaphongsiri, the minister attached to the Office of the Prime Minister, talked about the construction of a nuclear power plant. He said that studies have shown that by the year 2001, domestic energy sources that can be used to generate electricity will not be sufficient to meet demand, and it will be necessary to

import electricity from abroad. Thus, we must consider other sources of energy to generate electricity after 2001. EGAT has been studying nuclear power plants for a long time. We need to discuss whether the use of such power plants would be appropriate. Preparations must be made in advance, because it will take approximately 12 years to build each nuclear power plant.

Nuclear power plants cost more to build than do other types of power plants. But over the long term, it is worth it, because a nuclear power plant can produce more electricity and at a lower per unit cost. Besides this, in the future, the production of electricity at other plants may encounter problems. For example, power plants that generate electricity using water may not have sufficient water to generate electricity. Also, it requires huge amounts of coal to generate electricity, and this causes pollution problems. He said that he will visit nuclear power plants in Europe in order to gather data and discuss this matter. EGAT will start providing information to the public on nuclear power plants. Almost all of the NICs [newly industrialized countries] have nuclear power plants.

Mr Anuwat said that in considering building nuclear power plants, officials will consider the suitability of this. And the obstacles must be considered, too. For example, studies have shown that in building a nuclear power plant, problems may arise in transporting the nuclear reactor. Reactors are very large and must be transported by sea. Some countries prohibit nuclear reactors from being transported through their waters. If it is decided to build nuclear power plants, the plants must be at least 900 megawatt plants.

A report released by EGAT stated that regarding electricity generating capacity in 2001, EGAT will have a total installed generating capacity of approximately 96,375 megawatts. Demand is expected to be approximately 85,000 megawatts. Thus, there will be a reserve of about 10 percent. The cost of building a nuclear power plant is about 51,000 baht per kilowatt. Thus, building a 1,000 megawatt power plant will require an investment of approximately 51 billion baht.

Electricity Authority Plans Investment

42070112 Bangkok SIAM RAT in Thai
24 Aug 89 pp 5, 12

[Excerpt] [Passage omitted] Mr Anuwat Wattanaphongsiri, the minister attached to the Office of the Prime Minister, disclosed the results of the joint meeting held by the NESDB and the three electricity generating authorities on 23 August. He said that with respect to investment, EGAT submitted an investment plan covering the period 1989-1999. This plan calls for increasing the power generating capacity by an average of 688 megawatts a year. This will cost an average of 33 billion baht a year, which includes EGAT investment funds. That totals approximately 330 billion baht over the next 10 years.

Besides this, in increasing the electricity generating capacity over the next 10 years, EGAT will ask for the cooperation of the units concerned with the increase in demand for electricity, such as the Board of Investment, the Department of Industrial Works, and the Department of Public Works. They must provide data on approved projects that will increase the demand for electricity so that these data can be used in formulating plans to increase the electricity generating capacity to meet the increased demand.

Mr Anuwat said that the Provincial Electricity Authority will be the unit that distributes approximately 80 percent of the total electricity generated to the people. It will spend about 9 billion baht a year in developing the electricity distribution system and in laying carrier lines in the areas that do not yet have electricity. Electricity must be distributed to about 2,250 rural villages that do not have have electricity.

As for the Metropolitan Electricity Authority, according to the plan, the amount of electricity distributed to the people will increase approximately 6 percent a year. According to the original plan, this required an investment of about 5 billion baht a year. But because demand has increased because of the economic growth, it will be necessary to increase investments to 8 billion baht a year.

Opinion Leaders Oppose Nuclear Power

42070112 Bangkok MATICHON in Thai
18 Aug 89 pp 1, 21

[Excerpt] [Passage omitted] MR [royal title] Khukrit Pramot, the former prime minister, talked about the plan of Mr Anuwat Wattanaphongsiri, the minister attached to the office of the Prime Minister and the man who is responsible for monitoring EGAT, to build a nuclear power plant. MR Khukrit said that he disagrees with this idea, because he opposes nuclear power. Thailand is a member of ASEAN, whose objective is to keep this a nuclear-free zone. Thus, we can't have nuclear power plants here even if they will not be used for combat purposes. Because an explosion or a leak will pose a great danger and result in losses.

"Measures to prevent leaks are not foolproof. The Soviet Union, for example, is much more experienced in this than Thailand and yet a leak occurred there. Thailand is new at this. Other ways must be found to increase electricity production. We can purchase fuel or coal or use heat energy. We are not in a crisis situation with respect to electricity. We can find other ways to increase the production of electricity," said MR Khukrit. He added that neighboring countries need electricity, too. We must work together. We can work with Burma and Laos, for example, in producing electricity. We should focus on reaching an agreement with them or cooperating with those countries instead of thinking about using nuclear power.

Gen Chatchai Chunhawan, the prime minister, said that the nuclear power plant program is just a project that is being studied based on data obtained previously. Mr

Anuwat just wants to look at the plans formulated previously. There aren't any problems, because Thailand still has enough lignite and gas to produce electricity for another 10 years or more. And we could use solar energy.

Mr Phichai Rattakun, the deputy prime minister and leader of the Democrat Party, said that in producing electric power, we should use water and gas even though the number of people using electricity will increase every year. It is predicted that a crisis will arise in May 1990. But the government has already taken steps to deal with that. After that month, Thailand will have electricity reserves of 10 percent. During the next 5-20 years, there will definitely not be any shortage of electricity. He said that EGAT studied the feasibility of building nuclear power plants once before. But that will require more in-depth studies to determine the advantages and disadvantages.

Mr Phichai added that Mr Anuwat may be looking at what might happen in the future and so he is formulating a draft plan in order to be prepared. Forty years from now, it may be necessary to build these plants. But this is not the time.

"As the person who is responsible for monitoring environmental conditions, I feel that nuclear power always poses a danger. Thais still have a great fear of nuclear power," said Mr Phichai. Mr Prachuap Chaiyasan, the minister of science, technology, and energy, said that he does not have a view on this matter. He said that he would have to ask Mr Anuwat if he really has formulated a plan and what action will be taken. But as far as he knows, Thailand still has the capability to generate sufficient electricity from water, coal, gas, and imported oil. If a shortage of electricity does arise, there is another alternate source of energy, that is, we can use agricultural by-products to produce heat to boil water. The steam can be used to run the generators. One of these agricultural by-products, which is in large abundance in Thailand, is bagasse. Outside the agricultural season, we can use lignite, coal, or fast-growing trees. The National Energy Administration is studying the data in cooperation with the private sector.

Mr Prachuap said that he had held talks with Australia about a joint investment in the construction of a power plant that uses coal. Australia will bring in the coal and build the plant and port facilities to unload the coal. It will also handle pollution matters. This power plant will be capable of generating 700 megawatts of electricity. This will be a joint public-private investment project. The details are now being studied.

Sisaket Anticipates Cambodia Temple Tourist Boom

42070110c Bangkok MATICHON in Thai
4 Aug 89 p 21

[Excerpts] A MATICHON reporter in Sisaket Province reported that Sisaket Province has announced that Khao Phra Vihan [Temple Hill] will be opened as a tourist attraction by October now that government officials

have concluded initial talks with Cambodian officials. On 24 July, Sisaket Province sent a team of officials, led by Mr Prachit Phatcharinsak, the Sisaket Province public relations officer, to Khao Phra Vihan to take pictures and make a video in preparation for publicizing this international tourist attraction.

The news report stated that during that trip, the officials found that the palace there was still in fairly good condition, as were the stone carvings, such as the reclining statue of Vishnu and the image of Brahma. The rock cliffs, which are 600 meters high and which provide a wonderful view of the Cambodian countryside below, remain untouched, too.

The report stated that the group of Thai officials was escorted by Cambodian officials and accompanied by an interpreter. They were informed that orders have been given to clean up the area within the palace grounds and that this work has already gotten underway. Additional officials have been sent there to speed up this work, which is now about 40 percent complete. Besides this, the surrounding area will be cleared of any remaining mines to ensure the safety of tourists. The officials were assured that the Khao Phra Vihan area is now free of fighting.

Mr Thawat Phothisunthon, the governor of Sisaket Province, said that people who want to visit Khao Phra Vihan will soon be able to do so. This tourist attraction should be open to people by this October. The province is now building various public facilities such as roads, shops, clinics, and parking places. Khao Phra Vihan is being restored, too. He has given orders to establish a committee to handle this work. The committee will formulate a public relations line to publicize this international tourist attraction, with the emphasis on its size and safety. [passage omitted]

The reporter reported that it was Mr Chamlong Ratsaprasoet, the former governor of Sisaket Province, who took the lead in reopening Khao Phra Vihan as an international tourist attraction. He formulated a policy of turning this into a demilitarized zone, with the opposing forces withdrawing 2 km from each other. The profits would be shared and used to restore the palace. As for the conditions now, discussions are now being held by the senior officials concerned.

Mr Mahahing Phraisin, an MP from Sisaket, said that when he talked with Gen Chatchai Chunhawan, the prime minister expressed his support for opening Khao Phra Vihan as an international tourist attraction. This has been discussed with Mr Hun Sen, a leader in the Heng Samrin government, and he has expressed his support for this. The prime minister has also earmarked budget funds to support tourism. He said that approximately 6 million baht has been allocated for this.

Second Lt Surachai Thananan, the district officer in Kantharalak District, Sisaket Province, said that people

going to Khao Phra Vihan have to travel through this district. He has formed a work team to take immediate action on this.

Central Bank Chief on Monetary Policy, Inflation

42070110b Bangkok SIAM RAT in Thai
3 Aug 89 pp 5, 12

[Excerpts] [Passage omitted] Mr Kamchon Sathirakun, the governor of the Bank of Thailand (BoT), talked about the fear that inflation will skyrocket. He said that the rate of inflation will not rise this year. It will not go above 5 percent. The rate of inflation for June was 4.3 percent. Because of this, the Bank of Thailand does not need to implement monetary measures to control inflation.

Mr Kamchon said that the rate of inflation has increased somewhat because of both internal and external factors. One of the external factors is that there has been a sharp rise in the price of oil on world markets. An internal factor is the fact that people's incomes have increased. Imports have improved and so people have greater purchasing power and more luxury items are being imported.

However, the rise in prices should be discussed on a case by case basis. The rise in rice prices, for example, stems from the fact that imports have increased. This benefits the farmers, that is, their incomes have risen. But this may pose a problem for consumers, particularly laborers. Wages may have to be adjusted accordingly. Everything must be done in moderation in such a way as to benefit the public in general. We can't become bogged down over something or do things that will benefit just one group of people. [passage omitted]

Mr Kamchon added that the reason why the Bank of Thailand does not need to implement monetary measures to control inflation, that is, by raising the ceiling on loan interest rates, is that at present foreign interest rates are not much different from rates in Thailand. Interest rates have dropped. In the United States, for example, the prime rate has dropped from 11 percent to 10.5 percent. In Europe, interest rates have declined to around 8 percent. If Thailand raises interest rates, problems will arise. There will be an outflow of capital, which will lead to an increased demand for credit. That would push inflation higher.

As for the proposal that the Bank of Thailand raise interest rates on some items only, such as credits for consumption for commercial banks, in order to reduce expenditures, Mr Kamchon said that he does not agree with this proposal. It is unlikely that that will be done. The role of the Bank of Thailand should be to provide guidelines, such as in the case of condominium credits. The Bank of Thailand does not think that that would be beneficial, and it would be difficult to determine which business sector needs higher interest rates. And if that were done, those businesses might find ways to avoid that. [passage omitted]

Mr Kamchon Sathirakun, the governor of the Bank of Thailand, is a member of the Special Committee To Monitor Inflation and High-Priced Goods, which was established by the economic cabinet on 31 July.

Editorial Backs Social Security

42070113b Bangkok NAE0 NA in Thai 21 Aug 89 p 5

[Excerpt] [Passage omitted] Employers must understand that it is essential to have a social security law for those

who are at a disadvantage in our society. It's a matter of the honor and prestige of laborers. If we accept the idea of social security, there will be balance in economic and social development. We cannot allow our economic system to be destroyed. The promulgation of a social security law will increase morale and give security to millions of workers. This will increase the efficiency of the workers. Also, social security is a long-term investment in the development of our human resources. Senators should think about this, too.

POLITICAL

On Achieving Bourgeois Democratic Rights

902E0049b Hanoi DAI DOAN KET in Vietnamese
No 28, 11-17 Jul 89 p 7

[Article by Nguyen Khac Vien]

[Text] A friend of mine was invited to spend 3 weeks in France and was once taken home by a Frenchman to visit his family in a small town: upon arrival, my friend gave his papers to his friend to register his temporary residency. The Frenchman laughingly explained: there is no such game here! Once you have an entry visa to France, you can go anywhere you want to go. Nothing has to be declared. On returning home, my friend asked me if that was strange, and was unable to explain many other strange things, such as newspaper attacks on the president and other leaders; publishing a newspaper by only registering and without asking permission; the fact that French people do not need permission from their government to travel abroad. I told my friend: that's bourgeois democracy! and don't forget that because the French Revolution was the most thoroughly bourgeois revolution, democracy there is at a higher level than in some other capitalist countries.

My friend was perplexed: if so, they are more democratic then we are, and socialist democracy is not equal to bourgeois democracy. Not so. We haven't reached socialism yet, so there can't be a comparison. We have only recently gotten out of feudalism; and with more than 100 years of colonialism and several decades of war, democracy is only an unachieved aspiration. The French bourgeois revolution broke out 200 years ago; prior to that, its preconditions were created over a period of at least 3 centuries. During the capitalist system's 3 centuries of fermentation, and within the heart of a feudal society, the capitalist class gradually grew to head an alliance comprised of both peasants and city laborers in a struggle against feudalism; it rose in 1789 to overthrow the king, seized the land of the aristocracy, eliminated the inviolability of the Roman Catholic church, and opened the way for bourgeois democracy. The gradual construction of democracy has reached the present level after 200 hundred years. Altogether, it has been a 500-year job, my friend!

Then, was the job of the capitalist class tremendous?

Yes, it was tremendous. The statements of Marxist-Leninist classical writers about the French Revolution are always accompanied by the word "great." This is because the bourgeois revolution was the first in the history of mankind to open the modern democratic era. Man became a citizen with the right to participate in state and social management, with powers generally stipulated by law for everyone, and no arbitrary settlement by authorities.

Thus, how must communists like us consider bourgeois democracy? If you are a French communist, you have to

defend to the end the democratic rights that you seized. I use the word seize because immediately after taking control, the capitalist class terminated its alliance with the laboring people and turned back to restrict the democratic privileges which were aimed at protecting their ownership rights: the 200 years since 1789 have been 200 years of unceasing struggle by workers, intellectuals, and part of the peasants to secure the democratic privileges mentioned above; 200 years during which blood has been shed many times, most of all during the years of resistance against fascism. When the laboring people and intellectuals slacked off, democracy was restricted; and when defeated, the capitalist system shifted to fascism, a constant threat to the capitalist system.

What about the Vietnamese communist?

Eliminating feudalism, overthrowing colonialism, and bypassing capitalism has truly been a long road. Our first mission is to successfully achieve those things that the bourgeois revolution brought to the people of all countries: the right to own land, the right to elect officials, the right to be protected by the law, and the rights of freedom of religion, discussion, assembly, travel, and residency. We must achieve our goal without allowing a capitalist class to form and occupy large-scale production facilities and means, using them to seize power. Continuing our efforts to surmount, we must not forget that the French people for example had to spend hundreds of years to achieve the things we must continue.

Surely my friend agreed with me that on the occasion of the 200th anniversary of the French Revolution, the thing we must consider most of all is the issue of democracy.

National Assembly Passes People's Council Bill

902E0049a Hanoi DAI DOAN KET in Vietnamese
No 28, 11-17 Jul 89 p 7

[Article by Thai Duy: "Fifth Session of the Eighth National Assembly: People's Mastership, A New Step Forward"]

[Text] Our government has a tradition of by the people and for the people, and especially through two wars of resistance, our people have shed their blood and undergone countless sacrifices to protect the government they consider as their own flesh and blood.

Why, during more than the past decade, has our government in many locations been unable to rely on the people and lost confidence with the people? There are many reasons but most important of all is that the people's mastership, if it still existed, is burdened with formalism. Does the people's mastership, first of all the authoritative agency of the people, the People's Council at all levels, really lie in the hands of the people?

In front of the offices of all local administrative agencies and people's committees, there is the same dignified

sign: on the top line in larger letters, "Provincial, Municipal, etc. People's Council," and on the bottom line in smaller letters, "Provincial, Municipal, etc. People's Committee."

Externally, the People's Council is clearly more upheld and respected than the People's Committee but in reality, the elected agencies have names but no substance; and a close examination of committees indicates that many elected representatives are imbued with a puppet status and admit to being the tail of the executive agency.

We still prefer to create an exterior shell of democracy without strictly achieving the people's mastership in the People's Council as recorded in the resolutions of the party and in the Constitution.

Everyone calls it a People's Council but the components seems to be rarely people, with a great many executive sector cadres who hold key positions in people's committees and services, and furthermore, with the Chairman of the People's Council under control of the People's Committee Chairman. The People's Council has no standing organ or office or even the job title of a People's Council Chairman. Civil leaders are down-trodden fenced in slaves to decisions in every task.

Grasping all power and controlling even the supervising agency, the People's Council, many leading cadres of administrative agencies never consider the people's mastership at all, in disregard of discipline and law. Our people, party, and state have undergone countless and extremely great losses in money, assets, and prestige due to power-abusive and overbearing cadres like local overlords who no one dares to confront.

For a long time, most people and party members have disapproved of the practice of "simultaneously playing ball and refereeing" and the press has contributed its opinion on this problem in the fervent desire that the People's Council will strictly implement its authoritative functions to supervise administrative agencies in the local area.

The legitimate suggestions above originate from the extremely fervent wishes of all classes of the people and are completely consistent with the very urgent demands to restore and maintain the fine essence of by the people and for the people of our government. They can only be accepted for continued consultation and then presentation of a few small improvements with not much increase in the effectiveness of the People's Council. Cadres in authority who have declined in quality or are extremely limited in ability but still cling to their position all want the People's Council to operate burdened with formalism, and cannot confront a People's Council daring to oppose their dishonest actions or intending to supervise them.

Only recently, the state issued two draft proposals on a law for organizing People's Councils and People's Committees, and a law for electing People's Council delegates

aimed at strengthening the effectiveness of the People's Council. Of these two draft proposals, the most important is the *law on organizing People's Councils and People's Committees* and the greatest decision is on the issue of the *standing organ of the People's Council and the job title of People's Council Chairman*.

These two bills were to be presented for discussion and passage during the Fifth Session of the National Assembly and for that very reason, election of People's Councils at all levels was postponed until the end of the year, waiting for the two laws to be passed to provide a legal foundation for fundamentally improving the quality of operations by elected agencies. Unexpectedly, as the National Assembly session drew near, a position was taken not to present the bill on organizing People's Councils and People's Committees but only the one on electing People's Council delegates to the National Assembly for discussion and passage during this session.

Representing the legitimate aspirations of all classes of the people, the Presidium of the Vietnam Fatherland Front Central Committee met and proposed that the Council of State present the bill on organizing People's Councils and People's Committees for discussion and passage during this Fifth Session of the National Assembly without extended postponement or protraction. Prolonging a situation in which authoritative agencies of the people continue under the control of a minority of cadres in position and power who are ruling the roost in the local area, our people's task of socialist construction and specifically the correct positions, policies, and resolutions of the party cannot be thoroughly achieved and our government can no longer continue to maintain a nature of by the people and for the people. The Chairman of the Vietnam Fatherland Front Central Committee sent a letter to the Fatherland Front and local National Assembly delegations announcing this deplorable matter. The National Assembly delegation of Ho Chi Minh City met and made arrangements to contact a majority of the electorate, the municipal press continually reflected voter suggestions that the bills on organizing People's Councils and People's Committees be presented for discussion and passage during the Fifth Session of the National Assembly. Subsequently, the National Assembly delegation of the capital of Hanoi and many other localities proposed that the laws on organizing People's Councils and People's Committees be discussed and passed during this Fifth Session of the National Assembly. These suggestions were accepted and the People's Councils and People's Committees organization bill was no longer shelved but was presented for discussion and passage during this session of the National Assembly.

When the National Assembly met, team discussions showed a fairly optimistic trend with the majority supporting the law on organizing People's Councils and People's Committees but when presented for assembly hall deliberation, a stalemate occurred and the danger existed that the bill could not be passed.

Deputies who did not want this bill to pass presented the following opinions:

- The bill on organizing People's Councils and People's Committees had not been carefully prepared and should not be hurriedly presented for discussion during this session of the National Assembly.
- Establishment of a Standing organ of the People's Council will inflate the state staff organization at a time in which we are reducing it.
- Because renovation of the Council of Ministers has not yet been accomplished, renovation of the operations of People's Committees at all levels should not be posed and the bill on organizing People's Councils and People's Committees should not be passed.
- Establishment of People's Council Standing Organs should only be done as a test and pilot project while continuing to operate as before and only further increasing the rights of the People's Council Secretariat.
- With the existence of People's Committees, won't establishment of People's Council Standing Organs easily create conflict between these two agencies?

Some deputies agreed on passage of the law on organizing People's Councils and People's Committees but wanted to eliminate the establishment of People's Council Standing Organs which is inherently the most important part of the law because its elimination would permit the situation of "simultaneously playing ball and blowing the whistle" to continually and legally exist.

Deputies advocating passage of this bill became increasingly anxious and concerned when another deputy wanted passage of the law on organizing People's Councils and People's Committees to have a two-thirds affirmative vote.

The final speaker in the debate centering around the law on organizing People's Councils and People's Committees was Deputy Nguyen Huu Tho, Chairman of the Vietnam Fatherland Front.

He stated that for the past several years, many People's Committees have belittled the People's Councils, People's Councils have received little respect, and the people's mastership in People's Councils is virtually nonexistent. Passage of the law on organizing People's Councils and People's Committees in the National Assembly would ensure that People's Councils properly achieve their authoritative and supervisory functions as stipulated in the Constitution. Establishment of standing organs by People's Councils to regularly and effectively direct the work will never change or lessen one sentence or word in the Constitution but will only substantiate the basic principles recorded in that document. To achieve the functions, missions, and rights stipulated by the Constitution for People's Councils, it is necessary to organize a working apparatus and heading that apparatus are the Standing Organ and Chairman of the

People's Council. Therefore, a two-thirds affirmative vote is completely unnecessary and only a majority should be needed to pass the law on organizing People's Councils and People's Committees.

When the vote was finally taken, a majority of the National Assembly delegates passed the law on organizing People's Councils and People's Committees.

This is a new advancement, an increase in effectiveness of the People's Council, and a victory even though incomplete because there is still no People's Council Standing Organ at the village level.

Problems Remain in Logistical Service for Spratly Islands

902E0008A Hanoi *QUAN DOI NHAN DAN* in Vietnamese 17 Aug 89 p 2

[Article by To Hai Nam]

[Text] Major Pham Xuan Vien, vice chairman in charge of logistical service of the Spratly Islands Detachment, showed me a general analysis of the materiel supplied by the state, army, and Navy to the detachment in 1988. The strengths were supplies being fully provided as planned (including the reserve quantities) to all units, fast and timely transportation, and living conditions on the islands as a whole being more stable than in 1987. According to an evaluation by the Navy's Rear Services Department, the results obtained were encouraging, with a new model being created and new experience gained in the task of distributing, transporting, managing, and using the materiel provided to the islands.

With the results obtained in 1988, the Rear Services Office of the Spratly Islands Detachment promptly drafted a plan in early 1989 on the basis of the needs at the primary level, i.e., the needs of each island and each ship, and the authorized standards (including the loss percentages allowed), with the main interest being focused on ensuring getting the allowed quantities of materiel. Thanks to this early plan and the use of the initiatives applied in 1988 to transportation, by the end of April 1989 the detachment has already received 48 percent of the grain it should get in the year; 50 percent, foods of all kinds; 30 percent, gasoline and oil; and 50 percent, other goods. As to rice, in order to avoid losses resulting from mold, water damage, and spill, the Rear Services Department ordered that it be packed with three layers of materials: gunny outside, thick nylon in the middle, and snake skin inside. As to canned meats and fruits, a three-layer packing was also used: cardboard outside, nylon in the middle, and food containers inside. All boxes, casks, and bales were bound with hoops, sealed with lead, and clearly marked to show quantities, quality, and consumption date. As compared to 1988 when 100 percent of the meats supplied were of the boiled-with-fish-sauce type, in 1989 so far 50 percent were good-quality ground meat and 50 percent were canned salty meat. As to milk, for the first time in 14 years 100 percent of the canned milk the Spratly Islands

Detachment has by now received was manufactured in 1989. As to water containers, all of the underground tanks supplied were made of duralumin and aluminum. These containers are light, easy to transport, and durable in the saline environment. About transportation, the Rear Services General Department and the Navy's Rear Services Department used trucks and trains to bring supplies straight to the detachment's storage facilities without going through any intermediary level. Thanks to careful packing, the delivery and acceptance of supplies were very fast, with saving of half of the time normally devoted to their checking. As to boat-transported supplies, they were shipped from the nearest coastal storage facilities directly to the islands. For boat-to-island transportation and delivery-acceptance of supplies, the Spratly Islands Detachment adopted the method of closed three-way loop involving the delivering, accepting, and transporting parties. With this method, the rate of loss of supplies in the last 4 months was very negligible.

Although the greatest results were obtained from supplying, packing, transporting, delivering, and accepting supplies, many people at the primary level still believed that things should have been done at a faster pace if they had taken into consideration the fact that the typhoon season would start in July. They also thought that the Spratly Islands Detachment should ask the Rear Services General Department to provide it with the supplies that it had put into its plans and to avoid giving poor-quality supplies and supplies that would not satisfy the islands' needs. In 1988 the ground salted fish received by the islands did not last more than 3 months because of the consumption expiration date, hence, no reserve of that item was available. Because of the poor quality and careless packing of the rice, dried food, and roasted rice supplied in 1988, the islands as a whole lost 20 tons of grain and food of various kinds in that year due to the fact that they had become rotten in storehouses and lost during transportation and in combat.

In addition to the boats of the Navy and Rear Services General Department, we propose that the state provide additional transports and that the Navy use a fleet of special-purpose boats to carry supplies to the islands.

In order to ensure fast and complete delivery and acceptance of supplies and to avoid negative things during their transportation, we propose that the staff organs at all levels take into consideration the number of people needed to escort the supplies when they make arrangement for their transportation.

To pack supplies carefully for transportation and to have a network of uniform storage facilities in Spratly Islands for keeping the supplies is important. Therefore we propose that the army's financial sector provide more money for the purchase of bags and packing materials and that the Navy step up the pace of construction of storehouses on the islands.

Article Describes, Criticizes Press Inaccuracy, Sensationalism

902E0017a Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Aug 89 pp 1, 4

["Ideas-Motions" column by Khong Du No, retired cadre in Hai Ba Trung Ward, Hanoi: "Put a Stop To Inaccurate Reporting and Sensationalism in the Press"]

[Text] Not too long ago, there was quite a public stir about the story of a crab with a human face that appeared in TIEN PHONG. This sensational story pulled a leading figure in the locality into the affair and forced other stations and newspapers to explain things to the people. Recently, another youth newspaper, TUOI TRE THU DO, printed a story entitled "Western Prostitutes" concerning six nude girls cavorting on the streets of Hanoi. And after that, AN NINH THU DO, the voice of the municipal security sector, had to publish a denial, because that was a complete fabrication. That is not all. During July, TIEN PHONG published a terrible story about an army major who had recently returned from Cambodia shooting and killing his children when he caught them making love in his house in Ho Chi Minh City. At the request of readers, QUAN DOI NHAN DAN sent a reporter to investigate. After obtaining sufficient evidence, the reporter was able to refute this story, because that, too, was a complete fabrication. Why that writer wrote such a story is unclear. TIEN PHONG has issued a public apology, because that story was untrue.

Almost everyone remembers that at the beginning of last year, VAN NGHE published an article entitled "Procedures To Make People Alive." The article concerned a soldier who had been reported dead but who after several decades somehow managed to "come to life again." As a result of this article, the military organizations concerned had to conduct a thorough investigation. In the end, it was revealed that many of the details written in the article had aroused readers.

The inaccurate and indecent news reports that have appeared in the press recently have caused readers to think about and question the credentials of reporters and writers. What is annoying is that almost all of those inaccurate articles have been written by experienced professional reporters. Those stories were certainly not written in order to provide readers with correct and useful scientific or social information. They were just trying to attract customers and sell their newspapers. We cannot refrain from questioning the nature of our socialist press. Has the nature of our press changed? Have writers forgotten the words of President Ho, who said that "when writing something, we must always consider for whom we are writing the story and why we are writing it."

Even if the stories of the crab, the six prostitutes, and the major mentioned above were true, why were these stories written and published? Not everything that happens in society is printed in the press, because the press is not

a garbage bag for every piece of garbage. Those stories were complete fabrications, and those in the publishing business violated the minimum standard of their profession, which is to respect the truth. In fabricating those stories about the six women and the major, those reporters apparently did not realize that they were violating criminal laws (clearly stated by the Ministry of Justice). This was not an offense against just one individual but against society and the moral foundation of the capital. Was this a case of the impotence of the public security sector or of the savagery of a military officer?

Every time that the press condemns negative aspects in an organization or individual, that organization or individual must respond and publicly acknowledge their shortcomings. If a newspaper makes a mistake (by publishing an inaccurate story or fabrication), it must print a retraction and apologize to its readers and to the organizations concerned. That is what TIEN PHONG did, and that is commendable. That is being honest.

Recently, we proposed that the state soon promulgate a press law in order to create a legal basis for the professional activities of honest reporters and to eliminate deceitful writers. We also proposed that the writers' mass organizations, such as the Vietnam Reporters' Association and the Vietnam Writers' Association, speak out, because a "pot of fish has the same smell." It was only recently that the press began to gain the trust of the people, but now it has begun to lose that trust.

During the period of French rule, besides the legitimate newspapers, there were also rag newspapers that specialized in printing indecent and filthy stories. They came into being just in order to satisfy the indecent cravings of a number of people. Even so, those "rags" did not survive for very long. They "died young" and were never recognized by other newspapers. But today, not only have such newspapers sprung up again, but they have transformed themselves into "supplements" of this and that newspaper and come into being for commercial purposes. Today, many newspapers publish stories on "beauty queens" as if all that our society needs is beautiful women.

Is this the "beauty" that readers worship? Is this a legitimate demand of readers that the press must satisfy? If desires are not satisfied immediately, this is labeled "feudal conservatism." If we allow such cultural liberalism to continue, who knows to where it will lead.

What has astonished readers is that the newspapers and magazines with such supplements include news agencies and organs of sectors and mass organizations that have always been known as serious and legitimate news organs.

General Secretary Nguyen Van Linh has advised reporters not to "bend the point of the pen." But the pens of these deceitful writers are again "bending," mainly because of the power of money. This is a very sad matter for our socialist press.

Comments on Declining Circulation Figures of Official Newspapers

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[Article by Nguyen Viet Son: "Worrisome Signs Regarding Press Circulation"]

[Text] Regarding this problem, NGUOI LAM BAO, issue No 3, 1989, which was published on the occasion of Vietnam Press Day on 21 June, published an article stating that there are now more illegal newspapers than newspapers with legal permits. Most of the supplements and illicit newspapers with a large readership often publish stories about love, sex, and crime. A worrisome sign in the newspaper market today is that while the supplements and newspapers that are printing stories about love, sex, and crime are rapidly expanding their circulation, the circulation of the political organs of the party and central echelon mass organizations that are published on a national scale has declined to an alarming level.

I would like to mention a number of figures released by the Newspaper and Magazine Publishing Department, Post and Telegraph General Department: In July 1989, as compared with June 1989, the circulation of NHAN DAN declined 14 percent, that of QUAN DOI NHAN DAN declined 13.2 percent, that of NONG DAN VIET NAM declined 5 percent, that of PHU NU VIETNAM declined 18 percent, the circulation of TIEN PHONG declined 12 percent, THIEU NIEN TIEN PHONG declined 24.4 percent, and LAO DONG declined 17.5 percent. NHAN DAN and QUAN DOI NHAN DAN are published daily and are circulated nationwide. But the number of papers sent through the mail has clearly declined. In the northern provinces, from Hanoi to the provinces, the circulation of NHAN DAN and QUAN DOI NHAN DAN has declined. During the period January-August 1989, there was a great decline in some provinces such as Hoang Lien Son, that is, the circulation of NHAN DAN declined 40 percent and that of QUAN DOI NHAN DAN declined 46 percent. In Nghe Tinh Province, the circulation of NHAN DAN declined 30 percent and that of QUAN DOI NHAN DAN declined 32 percent. In the southern provinces, circulating these newspapers has encountered many difficulties, and there has been a serious decline in circulation. In Ben Cau District in Tay Ninh Province, there were only 13 subscriptions to NHAN DAN and 4 subscriptions to QUAN DOI NHAN DAN. In Mo Cay District in Ben Tre Province, only 5 of the 26 villages subscribed to NHAN DAN. In Gia Rai in Thuan Hai Province, the district military command organization did not subscribe to QUAN DOI NHAN DAN.

The political newspapers of the party and mass organizations mentioned above are the core forces in spreading propaganda about the country's political, national defense, economic, cultural, and social problems. The decline in the circulation of these newspapers is a clear

reflection of the laxity of the leadership echelons in using an important means of ideological work in the present situation. The ideological battlefield is never without people. If wholesome ideas and useful and practical information do not reach certain places, those places will be flooded by distorted ideas. Reality shows that in places that do not have NHAN DAN and QUAN DOI NHAN DAN, there are usually many other types of newspapers. The newspapers that are filled with stories of love and crime and that can be found at stores and stalls are clouding the burning problems with which society is concerned and the country's important tasks that require the attention of all the people. The leaders of many organizations have said that they have not purchased newspapers because of the lack of money. Now that state subsidies have been eliminated, state expenditures for the purchase of newspapers is very limited. Every organization must weigh the pros and cons of taking a long-term subscription to several daily newspapers. But "not having money" is too simple an answer. The cost of a year's subscription is equal to the cost of holding just one party or anniversary celebration. If meetings costing hundreds of thousands of dong can be held, why isn't there any money to buy newspapers for the organizations?

The cost of our newspapers is not high, but the price is high as compared with the cost of newspapers in other socialist countries. In particular, the price is high in comparison with the wages of our cadres and workers, the people who are eager to buy useful newspapers. But the policy is for the newspapers to use profit-and-loss accounting and become self-reliant. They must balance revenues and expenditures. Some newspapers are even helping to support their managing organizations. Now that the revolutionary press has become a business sector, the results of this cannot be anticipated. The laboring people, cadres, and workers who need information don't have the money to purchase newspapers. The political newspapers are not in accord with the tastes of businessmen, traders, those who are clever at obtaining money, and people who like to waste time. These people like "refreshing" and "sensational" stories. Many newspapers have reluctantly had to "court" these types of readers. This pains many of those in the newspaper business. Those political newspapers that print the truth make nothing while those newspapers that publish sensational and even harmful stories thrive. These newspapers are preying on readers everywhere and are even spreading deviant viewpoints. This has seriously lowered the tastes of many readers. Some units and organizations are using the money earmarked for purchasing newspapers to buy these types of newspapers.

Many readers have said that our political newspapers are unattractive. Readers want the political newspapers to improve in quality and increase their political attractiveness. But they don't want them to attract readers by publishing amusing or useless stories. A number of political newspapers print many general stories and there is little real news. They do not publish news items essential to social life or to the political, economic, or cultural lives of the people. There is too much emphasis

on protocol, and information methods have not been renovated. There is the impression that the press has not made bold use of the news methods. When it comes to matters of interest to the entire world, our newspapers print just a few lines about these matters on the last page and so many readers overlook these stories.

These are the ideas of readers to which the writers must take note. We can continue to call newspapers a commodity. But they are a special type of commodity, a commodity that can have a great effect on the viewpoint and thinking of the masses. Neglecting that objective of the press and forcing the press to follow coarse tastes, will cause great damage to the market. To solve this problem, the organizations concerned must take synchronized action, including managing the press, publishing newspapers, issuing regulations, and resolutely eliminating the negative aspects and deviant ideas. The newspaper business should not be thought of as a lucrative business. We must not transform the newspapers into common consumer goods.

MILITARY

Artillery Group 675 Fulfills Training Task

902E0019b Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Sep 89 p 2

[Article by Mai Huong]

[Text] To ensure good results for phase 2 training, Artillery Group 675 (Heroic Unit) has concentrated on repairing training fields and sand table models, and making additional training aids such as: night study lamps, deviation stakes, ammunition cards, adjustment tables, aiming stakes, etc., while simultaneously bolstering the ranks of cadres and command authorities, providing specific programs and measures for each unit engaged in joint artillery firing training, and concentrating on excellent company training. During the training, 70 percent of the military cadres and 50 percent of the political cadres went into the field to join in training and guiding the troops. With a guideline of "study accompanied by training," detachments regularly organized reviews of experience right on the training field to find weak points for additional training. Therefore, inspections to evaluate each lesson indicated good and excellent results. Compared with the phase 2 training of 1988, training quality was better and systems and procedures were closely maintained, constantly ensuring vehicle and gun training and combat readiness.

Training Problems Reported in Military Region 9

902E0019a Hanoi QUAN DOI NHAN DAN in Vietnamese 24 Aug 89 p 1

[Article by Bui Van Bong]

[Text] Slow development of the training plan and low quality training is a universal situation in many units of

Military Region 9. A training inspection delegation of cadres from staff, political, rear services, and technical agencies under Military Region Command supervision inspected the situation of phase I training in five units: the military agencies of Dong Thap and Cuu Long Provinces and Groups E6, H26, and K9. The situation indicated that in a number of units, leadership and command have not yet truly given the proper level of concern to total training. Training in accordance with the new program theme of the combat team serving as the foundation has not received the proper level of emphasis, and political, rear services and technical training is still being neglected. Some units have issued resolutions on training but have been lax in direct organization; and the management of training plans, schedules and participants is still very slack. Training funding is a fairly severe problem this year. Self-defense, militia, and mobilized reserve units have been issued training funds equal to only 15 to 20 percent of actual requirements. The main force and specialized technical branches are short 50 to 60 percent in training funds, and material facilities for ensuring training are tattered and old and lacking in uniformity. These causes have led to the failure of phase I training to meet realistic mission requirements in primary level units. Efforts to increase the number of training cadres have developed slowly, effectiveness has been low, and themes are inconsistent with the new program. There are even some district-level military agencies that have not provided advanced training for training cadres in accordance with training development requirements.

Head of POL Department Stresses Need To Improve Supplying

902E0008B Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Aug 89 p 2

[Article by Colonel Luu Vinh Cuong, chief of the POL Department, Rear Services General Department: "Renovating Method of Ensuring POL Supplies Aimed at Properly Fulfilling Tasks in the New Situation"]

[Text] To ensure supplying POL for our troops to maintain combat readiness, to combat, to get training, and to take part in economic construction is a very important job in the entire rear services task. Along the line of building an increasingly modern regular army, the POL job plays a greater key role in the use of motorized forces, the organization of transportation of materiel, combat, the use of modern equipment, and motorized operations under all circumstances.

Following a decision of the Ministry of National Defense giving the POL sector the total task ranging from drafting plans to show needs, creating sources of supply, and setting acceptance dates for management to supplying and distributing, making payment, and paying off the balance, the POL organs at all levels have undergone important renovation and have both devised and improved a mechanism for ensuring POL supplies. In order to make creating sources of supply and accepting

supplies more favorable, the ministry has assigned the POL Department the management and use of the fuel purchase fund. Consequently, although POL prices in 1988 were fluctuating, the POL sector was able to carry out 100 percent of the goal set by the state for the army, thus ensuring sufficient and timely POL supplies for training, combat, and combat readiness. At the same time, the size of POL reserves at all levels was increased. After more than a year of carrying out the new method, the strategic echelons were able to master the process of accepting, managing, supplying, and distributing POL to army units, and to know the state of their management and use, as well as the remaining weaknesses that should be overcome. The organs in charge also were fully aware of the quantities of POL used in the tasks that the Ministry of National Defense had assigned to the units. Every month, quarter, and year, the POL Department (of the POL General Department) would pay off the balance in time to the ministry. That was a superior and rational way to do the job. However, some weaknesses were also discovered in the process: Many units failed to use POL in accordance with orders and their task. Whenever they were short of supplies, they submitted requests for additional supplies based on roughly-calculated estimates, which would prevent the efficiency rate of use of POL from going higher and put the specialized organs in a passive situation. Other units, which misused the POL supplied for training and combat-readiness purposes in economic production, failed to include everything in the "entry end" (not to include everything in the costs) and thus made the efforts to keep track of supplies, to pay the balance, and to draft plans less accurate. These weaknesses also were found in the effort to ensure centralization of the job: Units normally had to use many means for both supply and acceptance, hence, considerable quantities of POL for vehicles, machinery, and boats to operate in the transporting process. In a number of cases, they also failed to develop the initiative and dynamic quality of commanders and POL organs at the lower levels, particularly at the basic level. On the other hand, the table of organization and equipment of the POL Department's organs and units remained quite cumbersome, while their job was handled too routinely, without concentrating on plan management and directing the professional activities of the POL sector for the lower levels to keep pace with the need for renovation. Following the 6th Party Congress and the 6th Resolution of the CPV Central Committee, the country as a whole has been gradually switching the economy to the socialist economic management and accounting and adopting the mechanism of single prices and money base in circulation and distribution. In order to use effectively the material and financial resources provided by the state the army must very economically use and strictly manage the supplied POL so as to bring about great efficiency in all of its activities.

Furthermore, in the present situation, to improve the quality of the army has a strategic significance for our

economic and social activities and the building of our armed forces in the new situation. The job of ensuring the supply of POL in the army needs to be urgently renovated in terms of both planning and supplying. The basic part of the renovation regarding the division of work and work levels in accordance with the money-based mechanism in the job of ensuring supply of POL requires that we clearly determine the function, task, and coordinated relations at each level and responsibilities ranging from those of strategic organs to those of the basic level in the army as a whole.

Every year, on the basis of the political task, the POL Department drafts plans to show the needs for fuel and means in accordance with the formula of materials plans going hand in hand with budget plans. This means that after the goals have been approved by the state, the department proceeds to draft plans to ensure supplies for units by setting the materials and budget norms and submits them to the ministry for approval prior to actual appropriation of both budget and materials among units. At the same time, it drafts acceptance plans with the POL General Department of the Ministry of Materials to allow units to sign POL purchase contracts directly with POL corporations in provinces and municipalities.

The task of ensuring the POL resources also is carried out in accordance with the same mechanism, with domestically produced or available products being either ordered or purchased by units themselves after budget appropriation has been made. In the case of the front-line units which encounter more difficulties, or in the case the products concerned must be imported from abroad, the contracting units let the POL Department make the purchases and later supply them with the purchased products in accordance with regulations.

The basic move is to switch the entire management function of the POL Department at the strategic level (ministerial level), i.e., in terms of management and of ensuring POL supplies, to the army as a whole in order to achieve great efficiency in the management, use, and storage of POL and in the construction of storage facilities at all levels.

This formula of managing, ensuring, and using POL in the spirit of renovation will create favorable conditions for units to take initiative and to develop their own creativity. There will be new progress in the management and saving of POL, the use of which will be more efficient everyday and thus satisfy better the needs and responsibilities of the army as a whole.

Priority Given To Aiding Troops After Return From Cambodia

902E0008C Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Aug 89 p 2

[Interview With the Commander of Military Region 9 by Quan Thuy: "Priority Spending, Materials, Barracks for Welcoming Volunteer Troops Returning From Cambodia"]

[Text] Lieutenant General Nguyen De, commander of Military Region 9, has answered questions in an interview with QUAN DOI NHAN DAN.

[Reporter] The chairman of the Council of Ministers has recently issued Directive 105 to provide guidelines for proper implementation of a number of policies regarding the army and the rear area. Can you, Commander, tell us if there have been any changes in the localities and sectors in the military region concerning implementation of the directive?

[Nguyen De] First of all, I would like to stress that following three wars, the army's rear-area work in the provinces in the military region has raised many complicated questions: The number of families of wounded soldiers and dead heroes, and other policy beneficiaries, is very large; the socioeconomic situation still encounters many difficulties. However, with the "return a favor, respond to loyalty" spirit and under the leadership and guidance of the party committee echelons and administrations of the localities, the implementation of the army's rear-area policy in the military region has brought about some very encouraging results.

Many localities have done well in the movement to welcome wounded soldiers in their villages and to sponsor children of dead heroes, and have made great contributions to encouraging and motivating our combatants on the front. In the last 2 years, the localities built more than 3,000 love-and-loyalty houses and repaired more than 600 others. The administration and the people sent hundreds of tons of paddy and rice to families of dead heroes and wounded soldiers who had encountered difficulties and spent nearly 2 billion dong to support the policy beneficiaries. In many localities, through the "Warm clothing in winter" movement, mothers and sisters raised money and collected thousands of winter garments, tens of thousands of scarves, and large quantities of gifts and letters to send to front-line soldiers. Representatives of the women's association chapters in Kien Giang, Minh Hai, and so on went all the way to the northern border and to the units of volunteer troops stationed in Cambodia to offer greetings and to bring them the collected gifts. A number of provinces built more imposing cemeteries for our heroes, such as the ones in Tinh Bien (An Giang), Hong Ngu (Dong Thap), and Mui Nai (Kien Giang). Implementing the Council of Ministers' Directive 105 on the army's rear-area work, a number of provinces in the military region are conducting a survey among policy beneficiaries in order to seek better measures to resolve their problems. All provinces in the military region are making preparations of all kinds to get housing facilities for the volunteer troops, who will soon return from Cambodia.

[Reporter] We have been told that in the past, a rather long time after some units of volunteer troops had returned home their men still were unable to stabilize their living conditions, nor to get permanent housing, so

as to start their new task. In your opinion, what were the reasons behind that situation?

[Nguyen De] Let me further clarify the matter: Prior to the 7th withdrawal of troops late in 1988, the military region and provinces had been concentrating their efforts on providing the returning troops with lodgings and means of living. The military region had established a planning guidance committee, headed by its rear services deputy director, to take care of building bases for the returning divisions and regiments. It had also moved its military administration and noncommissioned officers' schools elsewhere in order to accommodate the returning units. It was Detachment F4 that encountered many difficulties, in spite of the fact that the military region had invested more than 240 million dong and other necessary materials in building barracks. In order to set up a base for the returning units, the military region had drafted plans for every division to send home 300-350 people a year ahead of the withdrawal date to do preparatory work and to build barracks. However, because both materials and spending were limited, because the need for building barracks was very great, because organization and command in connection with unit management remained not so strict, and because many cadres lacked a sense of responsibility while being excessively dependent on others, members of many units still did not have stable living conditions and still encountered many difficulties after they had been home for 5-6 months. The military region is actively providing guidance for its organs and units to quickly overcome this weakness, at the same time drafting plans for switching the task to the returning units, coordinating its work with the provinces in order to accept these units, getting jobs for a number of men as they would go back to their native localities, and helping them to quickly stabilize their living conditions.

[Reporter] What is your leadership plan through which the military region lets localities and units help the returning units to quickly stabilize the living conditions of their men?

[Nguyen De] This is the 8th and final withdrawal of all Vietnamese volunteer troops from Cambodia. Having learned from the experience of the units that had returned in the past, the military region and provinces are concentrating efforts on providing leadership for units still fulfilling their task in the friendly country and for localities and units within the military region to properly prepare for their withdrawal and for welcoming home the returning troops. We have been coordinating our work with the mass communication means in order to widely disseminate through propaganda and education the victorious significance of this withdrawal, the achievements of the army and people of the military region in 10 years of combat to assist the friendly country, and the fast growth of the Cambodian revolution. The military region and provinces collect statistical data about the policy beneficiaries, get to know very well their situation, try to resolve to the highest degree

matters related to jobs and other benefits of the discharged and demobilized troops, properly transfer reserve troops to equivalent ranks, and take care of the sick and weak people by giving them medical examination and sending them away for convalescence or treatment. The military region and provinces concentrate efforts on preparing the locations where the returning units will be stationed and continue to help the newly-returned units which are encountering difficulties, particularly Detachment F4. The military region confirms that priority is going to be granted to spending and providing the returning units with materials and barracks so as to allow them to stabilize early the living conditions of their men and to quickly start their new tasks.

ECONOMIC

UN Helps Vietnamese Province Expand Forest Areas

BK2909113189 Hanoi VNA in English
0721 GMT 29 Sep 89

[Text] Hanoi VNA September 29—Since the beginning of this year, Bac Thai Province, north of Hanoi, has afforested nearly 4,000 hectares of land achieving 81 percent of its yearly target, under a project funded by the World Food Programme.

The project is being executed in ten districts and towns of the province involving 7,250 households.

The province is striving to expand its present forest area by 161 hectares by the end of this year and is making active preparations for its 1990 target of 9,000 hectares of forest.

Joint Ventures Conduct Gold, Tungsten Mining

902E0018b Hanoi QUAN DOI NHAN DAN in
Vietnamese 10 Sep 89 p 1

[Article by Xuan Minh]

[Text] In our country, the varieties of mineral resources are rich and diverse, especially valuable and rare minerals such as gold and tungsten which lie scattered in many localities. In the provinces of Ha Son Binh, Hoang Lien Son, Ha Tuyen, Nghe Tinh, Cao Bang, Bac Thai, Quang Nam-Da Nang, Lam Dong, etc., there are more than 100 sites containing dust gold and tungsten. However, the exploitation of these precious and rare metals on an industrial scale demands surveys and mining with an extremely large amount of investment capital, and thus naturally require a fairly long period of time.

To swiftly exploit valuable resources in support of national construction, the Mineral Development Corporation of the General Department of Mines and Geology has recently employed a formula of joint venture and coordination with domestic and foreign production corporations and units in mineral surveying and mining, especially gold and tungsten. The objective of this joint

venture and coordination is to create an additional source of capital and modern technical equipment for the survey and evaluation of mining reserves and for mineral processing.

The corporation has signed a contract for the survey and reevaluation of reserves for later exploitation at the Bong Mieu Gold Mine in Quang Nam-Da Nang Province with the Australian Covictory Corporation. The Mineral Development Corporation will contribute 20 percent of the share capital with the remaining 80 percent undertaken by the Covictory Corporation. This coordination program has developed and is projected to begin gold mining at the end of this year. The Bong Mieu Gold Mine is a mine that ceased operations before World War II. Before that, a French corporation mined underground gold with an annual output of 150 kilograms of gold. The gold ore here is of the sulfuric quartz type with a gold content of 1 to 4 grams per ton of overburden. The ore vein itself lies within the broken creases of the Cambrian period sedimentary rock layer. Initial gold surveys at Bong Mieu have shown fairly satisfactory results.

The Mineral Development Corporation is also coordinating with Geology Federation 1 and the Bac Thai Industrial Service to mine gold at Suoi Nhan Mine (Bac Thai Province) with an estimated annual output of 75 kilograms. This is a dust gold mine consisting of three lode deposits following the Suoi Nhan basin for 6 kilometers with a width of 100 to 200 meters and a gold-bearing gravel layer up to 1 meter thick with an average gold content of .56 to .68 grams per cubic meter of overburden. According to calculations, the gold reserves of Suoi Nhan Mine are nearly 300 kilograms. It is estimated that mining at Suoi Nhan will recover the investment capital in 2 years and that the longevity of the mine is 5 years.

In the Yen Na area of Tuong Duong District in Nghe Tinh Province, the corporation is also conducting a joint venture with Geology Federation 4 and the Nghe Tinh Province Mineral Mining and Business Corporation to mine gold with an estimated annual output of 30 kilograms. This is a gold mine located in the Nam Chau Stream basin, with dust ore lode deposits lying in overburden steps; in some places, the lode deposits are .93 meters thick. The gold content at Yen Na reaches .92 grams per meter of overburden. Purity (gold title) reaches 9.42. The gold reserves at Yen Na and surrounding areas could reach 1,000 kilograms.

Also in Quang Nam-Da Nang Province, on the southeastern side of Ba Na Mountain in Hoa Nhon Village of Hoa Vang District, there is a new area where the Tuy Loan Tungsten Mine is operating by the coordination formula. The tungsten reserves of this mine reach 250 tons, with an average content of 2 kilograms per cubic meter of overburden. Tungsten is a rare and precious mineral used by electrical, electronic and metallurgy industrial sectors. The Tuy Loan Tungsten Mine has received an investment of 500 million dong with 70

percent of the capital from Geology Federation 5 and 30 percent from the Mineral Development Corporation.

By the joint venture and coordination route, new gold and tungsten mines have been established and begun operation, to acquire from underground many additional resources to enrich the fatherland.

Results of First Semester Trade Exchange With Socialist Countries

902E0029b KINH TE DOI NGOAI in Vietnamese
25 Jul 89 p 1

[Excerpt] During the first 6 months of 1989, the value of exports to other socialist countries reached 194.2 million rubles, which was 23.3 percent of the annual plan, and the value of imports was 676.2 million rubles, which was equal to 44.3 percent of the planned target.

In general, Vietnam exported essential commodities such as agricultural products, handicrafts and art objects, and light industrial goods. The percentages for specific items were: cinnamon, 49.8 percent; reeds, corn, and coconut, 38.9 percent; hand tools, 30.9 percent; and bamboo, 28.4 percent. The percentage for a number of other types of goods such as tea, coffee, canned fruit, jute fiber, and frozen meat was below 25 percent of the planned target. Actually, the delivery of the above goods exposed various difficulties of ours in mobilizing sources of goods. The commercial organizations lack capital and cash to pay the production installations for the goods. Added to that, the two-way exchange materials were not in accord with the needs of the producers.

As for imports, steel imports fulfilled 51.6 percent of the annual plan. The percentage for automobile tires was 30.2 percent, that for medicines was 22.6 percent, and sugar was 43.2 percent. The export values from the Soviet Union, East Germany, Poland, and Hungary were 46.8, 39.5, 54.5, and 29.6 percent respectively. During the past 6 months, Vietnam did not import commodities from Mongolia or Korea in accord with the plan.

As for commodity exchanges between Vietnam and the other socialist countries during the past 6 months, even though the figures were not high, good momentum was generated to enable the countries to fulfill their obligations during the remainder of the year.

NHAN DAN Highlights Tax Collection Shortfall in Ha Nam Ninh Province

42090377P

[Editorial Report] A front-page story in the 17 August 1989 Hanoi NHAN DAN reported that Ha Nam Ninh Province was falling far short of its 1989 tax goals for commerce and industry. In the first 6 months of the year the province collected about 3.5 billion dong, only 25 percent of the annual target of 13.3 billion dong. An official of the province's tax office cited three reasons for the shortfall:

1. Tax evasion: According to the official, only 13,093 of the province's 19,855 private business units are paying taxes, resulting in a monthly tax loss of 169 million dong. Many businesses evade taxes by reporting that they have closed their doors for a period of time, during which they in fact are engaged in business with other units. Others claim that they are serving the local government and are not private businesses at all.

2. Underpayment of taxes through under-reporting of revenue: The official noted the example of two restaurants that were registered to do only 7,000 dong of business per day while their actual daily revenue was discovered to be 18,000 dong.

3. Random collection of taxes on slaughtering: Non-collection of the hog-butchering tax has reached "alarming" proportions, according to the official. Taxes are being collected on only 10 percent of all hogs slaughtered in the province, as collectors have failed to register butchers and reportedly are often assaulted in the course of their work.

The article noted that as a result of "urgent measures" taken by provincial authorities, the situation improved somewhat in July, when tax revenues doubled the amount for July 1988.

VIETTRONICS Invests in Increased Production, Quality

902E0030c Hanoi NHAN DAN in Vietnamese
31 Aug 89 pp 1, 4

[Article by Dang Minh Phuong]

[Text] The Thu Duc VIETTRONICS Enterprise (of the Ministry of Engineering and Metals) has invested 450,000 dollars to import modern equipment to increase production uniformity and capacity; ensuring the assembly and adjustment of color and black and white television sets, radio cassette players, video cassette recorders, and other electronic products of high quality and pleasing appearance for which many orders will be placed by customers in the country and in a number of foreign countries.

The enterprise has installed additional advanced model chart signal generation systems for adjusting, inspecting and assembling various types of color television sets, video cassette recorders and black and white television sets in all systems and channels from low to high frequency, ensuring identical uniform quality and achieving high productivity. The enterprise must still install a machine for compressing PVC plastic on wooden surfaces, and industrialize and seal an assembly line to produce wooden cases for various types of television sets. The radio and radio cassette player assembly lines have also had additional AM-PM signal generators and crystal frequency counters installed by the enterprise.

Since the beginning of this year, the enterprise has produced more than 9,000 black and white and color television sets, and more than 10,500 radio cassette players. Besides that, the enterprise has assembled 500 color television sets and 2,850 R86A monaural radio cassette players on contract for other sectors and units, and simultaneously produced 1,500 15-watt speakers and 2,000 wall clocks to meet market requirements.

One of the prominent features of the enterprise is the rapid sale of its products. During the first 6 months of the year, 1,822,534 dollars in foreign exchange was acquired, 90.43 percent of the annual plan, and 1,733,000,000 Vietnamese dong, nearly half the annual plan. The enterprise paid 888,705,000 dong to the state budget, 70.8 percent of the annual plan, and simultaneously stockpiled supplies and raw materials worth 619,621,000 Vietnamese dong and 148,900 dollars to continue production. Thanks to production and business profits, the enterprise presently has 793,381,000 Vietnamese dong and 2,388,740 U.S. dollars in independently acquired liquid assets; and has not been required to obtain bank loans.

TEXTIMEX Exports

902E0029d Hanoi KINH TE DOI NGOAI in
Vietnamese 25 Jul 89 p 3

[Article by Thu Hoa]

[Text] Even though it encountered many difficulties, such as a lack of cash and materials to repay the production installations, with the help of the production installations, by the middle of June, the TEXTIMEX General Corporation had exported goods worth 45 million rubles, double the amount as compared with the same time last year.

The levels for the main types of goods were quite high. For example, the export value of woolen rugs reached almost 4 million rubles and textiles reached 4.5 million rubles. In particular, the export value of ready-made clothing exceeded 20 million rubles and that of jute rugs was more than 4.5 million rubles, with more than 1 million meters exported. These are the highest figures in many years.

These results show the activeness of the general corporation in overcoming the difficulties, particularly taking bank loans to pay the production installations so that the production installations will have money to purchase bags and packing materials and to pay for the goods sent in 1988.

However, since the beginning of the year, the TEXTIMEX General Corporation has supplied only 10 percent of the materials in the annual plan. Thus, it is still in great debt to the production installations. As a result, many production installations did not have enough money to pay the workers and cooperative members

their wages for May and June. If this continues, it will be difficult for the TEXTIMEX General Corporation to fulfill the 1989 plan.

Encouraging Progress in 1989 First Semester Exports

902E0029a Hanoi KINH TE DOI NGOAI in
Vietnamese 25 Jul 89 pp 1, 2

[Article by Nghia Nam]

[Text] During the first 6 months of the year, our country's economic situation improved. In this general picture, foreign economic activities achieved notable results, particularly in the export sector.

The level reached during the first 6 months of the year was 607 million rubles-dollars, which is the highest export value ever since the start of the Fourth 5-Year Plan. In no other year have we ever fulfilled 52.8 percent of the annual plan in the first 6 months of the year. This was an increase of 52.9 percent as compared with the first 6 months of last year. In particular, the Import-Export General Corporation had corporations that fulfilled or almost fulfilled the plan for the entire year. These included Vinafood, 114 percent; Tocontap, 98 percent; Vikamex, 94 percent; and Mecanimex, 84.3 percent. Many other units fulfilled from 50 to 72 percent of the plan. These included Barotex, Centrimex, the Salt Corporation, and Minexport. The import-export units subordinate to the localities earned \$312.5 million, which was 85.8 percent of the annual plan and which represented a 71.3 percent increase as compared with the first 6 months of 1988.

It cannot be said that the recent situation was favorable for implementing the export plan, because the problems concerning policies, capital, material funds for production and the purchase of export goods, and debts posed a major obstacle for production and business activities from the localities to the central echelon and from the production installations to the general corporations. But in spite of this, exports still reached the export value and speed mentioned above. That is very encouraging and shows the great effort made by the sectors, localities, and production, business, and service units. If things continue based on this spirit, the foreign economic sector will definitely hit the targets in this year's plan.

But the paradox is that even though such results have been achieved, at the national meeting of import-export directors held during the period 18-20 July 1989, few people expressed optimism. The directors said that being swept away by such encouraging news is cause for concern. They gave several reasons for this. First, looking at the recent export pattern, the export value has increased mainly in the handicrafts and art objects, grain, and scrap iron sectors. The export value for agricultural goods, with which the fraternal socialist countries are concerned, was very low. For example, the percentage for peanuts was 10 percent, that for coffee

was 27.5 percent, machine parts was 24.3 percent, soybeans was 0.86 percent, and jute fiber was 13.2 percent.

Second, quality and the results of export activities were not very good. Many of the foreign trade contracts exposed the professional incompetence of those engaged in trading activities and this led to losses for the country and the production units. Many export goods achieved poor economic results. In order to earn 1 dong in foreign currency, it's necessary to spend a large sum of Vietnamese currency in comparison with the approved exchange rate. For example, pork requires compensation of 1,390 dong/ruble; vegetables and fruits require compensation of 690 dong/rubles; black tea, 600 dong/rubles; peanuts, 640 dong; and liquor and candy, 200 dong/rubles. Third, exports have been increased to earn foreign currency, but the economic organizations don't really know how to use the foreign currency. The banks haven't purchased all the foreign currency in the hands of the import-export units. Moreover, commodities that are stagnating in the country are still being imported. The export exchange rate is higher than the import exchange rate and so it is difficult to make a profit by selling imported goods. Facing this situation, the import-export organizations are encountering difficulties, because a large amount of the capital borrowed during the past 6 months is stagnating and the old and new debts haven't been paid, with the result that bank interest is piling up. For example, each month Thai Binh must pay more than 200 million dong, and Ha Bac must pay almost 100 million dong. If this situation continues, some units will definitely go bankrupt. Fourth, at a time when domestic production is declining, circulation is at a standstill, and the price of many goods is lower than the value of the goods, with the efforts made during the past 6 months to achieve the results mentioned above, in the coming 6 months, it will be difficult to mobilize export commodities unless effective measures are implemented to resolve these problems. And this will not be favorable for implementing the remaining portion of this year's plan.

At the recent meeting, the Ministry of Foreign Economic Affairs mentioned many positive measures, and the delegates contributed many excellent ideas regarding paying the debts, providing capital and cash, renovating the accounting and business formulas in import-export activities, and improving quality and increasing results in import-export activities. In particular, beginning on 1 August 1989, in implementing the new mechanism based on Resolution 64-HDBT of the Council of Ministers and the president of the Council of Ministers, units can use four methods to keep from making up losses and still promote exports to Sector I. It is hoped that during the final 6 months of the year, the results will be even better than during the first 6 months in order to reach the export value set by the ministry. It is also hoped that there will be no need to discuss the above problems at the meeting to summarize the 1989 activities of the foreign economic sector.

Resolution on Agricultural Production Signed

BK2709090089 Hanoi Domestic Service in Vietnamese
0500 GMT 27 Sep 89

[Text] In Hanoi on 26 September, the comrade minister of agriculture and food industry and the chairman of the Vietnam Peasant's Association signed a joint resolution on coordinating action between the agricultural sector and organizations of the peasant's association for the agricultural production front.

The resolution calls for carrying out this coordination work. The agricultural sector should create favorable conditions for satisfactorily implementing the Committee Political Bureau's Resolution No. 10 on renovating agriculture

News Brief on Trade, Investment Activities

902E0029c Hanoi KINH TE DOI NGOAI in
Vietnamese 25 Jul 89 p 8

[Text] According to the Vietnam Bureau of Commerce and Industry, during the past month many visitors and multinational corporations came here to learn more about our trade and joint investment capabilities:

The Elders Corporation of Australia, which specializes in beverage products, sought information about capabilities for supplying equipment for Vietnam's beer industry.

Singapore's Nusantara Company, which specializes in supplying machinery to load, unload, and transport overburden and construction and mining equipment, showed great interest in selling Vietnam parts and equipment for the above types of machinery.

South Korea's Sunkyoung Company sent a group of textile specialists to Hanoi and Ho Chi Minh City to continue supplying fiber, looms, and dyes to Vietnam.

South Korea's Boyang Company sent people to learn more about our capabilities for purchasing combs and building a factory to produce wigs in Vietnam for export.

Thailand's Charoon Silk Corporation wants to purchase silk thread and cocoons from Vietnam.

Malaysia's Malavina Group is very interested in purchasing coal from Vietnam. It also wants to sell telephone equipment and to produce and supply gas for household use. The group wants to engage in cooperative activities in the chemicals and rubber sectors and produce electric transformers.

Singapore's Beline Company is interested in opening a shipping route to Vietnam.

Besides this, in the coming period the following groups will visit Vietnam:

South Korea will send three groups:

Samsung: This company will continue trading with our import-export corporations. It is interested in electronic

goods, chemicals, fertilizer, coal, wood, and agricultural products, and it has asked to open an office in Vietnam.

Sunkyoung: This company will continue to expand buying and selling agricultural products (copra), textiles, textile equipment, chemicals, wood, and scrap iron. It will discuss investing in producing ferisilicon and building a hotel.

The Lucky Goldstar Company wants to purchase silk thread from Vietnam.

Singapore's MAP PACIFIC group wants to purchase agricultural and rubber products and sell seedbed chemicals.

Malaysia's Laya Raya Group wants to discuss purchasing coal and scrap iron and study the possibility of cooperating in mining tin and other minerals and drilling for oil and gas.

Hong Kong's Thai Phong Group wants to purchase coal.

Railway Communication Line Destruction Increases

902E0018a Hanoi QUAN DOI NHAN DAN in
Vietnamese 18 Aug 89 pp 1, 4

[Article by Phuc Nguyen]

[Text] The editor's office of QUAN DOI NHAN DAN recently received Official Letter 765 DS/BV of the General Railway Department advising of a serious situation occurring in the railway sector—the destruction of communication lines within the northern provinces and cities. The letter stated: "The severing of railroad signal communications lines in the provinces and cities of the north is presently extremely serious, causing an interruption of nearly 3,000 hours of communications between the railroad transportation operations center and the stations and trains. At times, many rail lines have been completely paralyzed, seriously threatening safe train operation and the lives of thousands of passengers."

The letter is like a strong alert signal. Why have we allowed such "inhumane" and destructive actions to continue day after day and month after month for several years?

The official letter of the General Railway Department stated that during the first 6 months of 1989 alone, the sector had 1,226 incidents in which communication lines were severed and destroyed, with a loss of 508,570 meters of cable (more than 508 kilometers), amounting to 32.7 tons of copper worth more than 200 million dong.

In the 14 provinces and cities of the north with railroads passing through them, cable destruction is most serious in the six provinces of Ha Bac, Quang Ninh, Nghe Tinh, Vinh Phu and Lang Son, and Hanoi City. The location with the greatest number of incidents and highest losses was Ha Bac with 258 incidents and 93,750 meters of

cable; and the lowest was Vinh Phu with 62 incidents and 18,400 meters of cable. The remaining provinces all exceeded 65 kilometers.

In Nghe Tinh Province alone, the letter clearly indicated that in comparing the second quarter with the first quarter, the number of line destruction incidents increased by six times and the amount of cable lost increased by three times. In other locations, there were also increases although slightly less than Nghe Tinh.

Concerning preventative methods, unfortunately the number of incidents discovered and prosecuted is too low compared with the data above. All six provinces have only detected 33 incidents, apprehended 67 suspects, and prosecuted 6 cases with 16 defendants; who received sentences from the provincial courts ranging from a 2-year suspended sentence at the lightest to 14 years imprisonment at the heaviest.

Clearly the number of destructive incidents is too large and losses too great but preventative measures are lacking effectiveness, and prosecution is especially not yet severe. Our greatest concern at the present time is not only the economic losses caused by cable destruction but the threat to safe train operation. If communications are not ensured, countless horrible things could occur, and contemplating their consequences causes anyone to shudder. Could it be that party committee and administrative echelons, mass organizations, legal agencies, and the people in the local area, including ourselves, are standing with folded hands in the face of this frightening situation! We consider the official letter of the railway sector as an appeal. The destruction of communication lines in general and railroad communication lines in particular cannot be disregarded. No economic reason can justify the illegal actions, actually crimes, noted above.

In the official letter of the General Railway Department, we also noted another signal: it is not that there is no way out of the situation, or that the stalemate is complete: "In any local area where there is active organization, resistance, and strict prosecution of violations, the number of incidents declines and violators are slowed by the law." Precisely, if the law takes a hand and prosecution is truly strict, including death sentences for a number of intentional violators to serve as an example, surely public opinion would agree. It can be no other way! In our society, the nonchalant existence of such serious actions absolutely cannot be permitted. We know that in prosecution of violations, public security agencies are still not yet determined, with primarily temporary detention and then release.

Accompanying the official letter, QUAN DOI NHAN DAN received a roster of 33 individuals arrested in six localities but not yet prosecuted. We agree with the suggestion of the General Railway Department that these individuals be brought forward for strict and open prosecution before all the people with widespread mass media dissemination.

We are openly publicizing the official letter of the General Railway Department with the hope that concerned local areas, sectors and mass organizations take more decisive action for train safety.

Marine Products Export-Import Union Founded

902E0030a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 20 Aug 89 p 1

[Article by K. B.]

[Text] On 18 August 1989 in Ho Chi Minh City, representatives of marine products production, processing, and export units from the central government, provinces, cities, and special zones throughout the country met to establish the Vietnam Marine Products Export-Import Union in accordance with Decision 275/TS-QD on 9 August 1989 of the minister of Marine Products. At the conference, unit representatives agreed that the objective of the Vietnam Marine Products Export-Import Union is to assemble marine products production, business and export-import units on a voluntary, equitable, and mutual support basis in production and business to create strength in marine product export-import potential and to raise the prestige and capability necessary to contact foreign markets.

The representatives elected a Vietnam Marine Products Export-Import Union management council comprising 30 members with SEAPRODEX Corporation Director Nguyen Hong Can as the chairman and three deputy directors: Huynh Van Mai, director of the Ho Chi Minh City Marine Products Export-Import Corporation (SAFICO); Ngo Van Nghiem, deputy director of the SEAPRODEX Corporation; and Nguyen Thuan, director of the Dong Nai Marine Products Export-Import Federation. The first congress of the Vietnam Marine Products Export-Import Union will be held at the end of this year.

Precious Metals, Gemstones Corporation in Business

902E0030b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 22 Aug 89 p 1

[Article by L.T.T.]

[Text] On the morning of 21 August, the Precious Metals and Gemstones Corporation opened the Central Store (66 Le Loi Street in the 1st Precinct). This is the largest jewelry store in the city selling items made of gold (including pure bar and leaf gold), silver, precious stones, pearls, ivory, tortoise shell, etc.

After only 7 months of operation, the corporation has 80 stores with a business volume of 266 billion dong and a foreign exchange value of 25 million U.S. dollars, more than 7 billion dong (combined figures). The operational objective of the Precious Metals and Gemstones Corporation is to build a jewelry industrial sector to serve domestic and export requirements. The corporation has

established a unit to mine and procure gemstones, gold and minerals; and to assemble the skills of outstanding craftsmen and goldsmiths for the production of traditional jewelry of high quality for sale to overseas Vietnamese and tourists to obtain foreign exchange, especially during the city's 1990 tourism year.

SOCIAL

Interior Minister Interviewed on Social Problems

Interview With Mai Chi Tho

902E0046a Hanoi DAI DOAN KET in Vietnamese
No 28, 11-17 Jul 89 pp 1, 6

[Interview With Interior Minister Mai Chi Tho: "We Are Facing Not Only a Socio-Economic Crisis, But Also a Morality Crisis..."; date and place not given]

[Text] [DAI DOAN KET] Your speech delivered in the 4th session of the 8th National Assembly, which mentioned the juvenile delinquency problem, has recently drawn the attention of public opinion. So far we have failed to correct the problem, which actually becomes more serious and makes a number of pessimistic people think that society has come to a dead end in terms of finding a solution. What is your opinion about this problem?

[Tho] I am very glad and appreciate DAI DOAN KET's concern about the juvenile delinquency problem. This is an acute and burning pain for not only the public security sector but also our society as a whole. As you have just said, we have not yet succeeded in correcting the problem which gets even more serious. According to incomplete statistics, in 1988 youths and teenagers accounted for 73.5 percent of the people being arrested for criminal offenses. In the first 6 months of 1989 the number of youths and teenagers committing a crime increased by 3.5 percent over the same period in 1988.

This situation certainly makes us worry, but I think that we should not be pessimistic to the point of thinking we are at a dead end and cannot resolve it.

[DAI DOAN KET] Although the party and state have issued directives on taking care of youths and teenagers and different sectors have held meetings to discuss the problem, in your opinion why the above-mentioned situation has not changed?

[Tho] - Our socioeconomic situation still encounters severe difficulties and there is a serious shortage of jobs. Every year our country has millions of students who fail to pass the entrance examinations to go to level III and to college; the people who are discharged from the army and public security and assault youth forces, the excess staff cadres and workers, tens of thousands of people released from prison after having served their criminal sentences, the majority of whom are young people... all need to have jobs, which we fail to provide them with.

Now we have the state of stagnation in a number of production and business installations which makes the failure to provide jobs even worse. This is a convenient environment for crime to appear and to multiply.

- While the family life of our young people and they themselves are facing many difficulties, the enemy and the bad people have been taking advantage of our mistakes and shortcomings having to do with subjectiveness in maintaining our will, bureaucratic centralism, and state subsidies to villainously attack the party's leadership, socialism, and the communist ideals. These things exert definite effects and make the young have less confidence, lose sight of their struggle, and turn to a pragmatic mentality. In the meantime, we haven't paid enough attention to our political and ideological work, nor have we counterattacked strongly and persuasively enough those false arguments.

We have emphasized economic efficiency, which is an extremely correct aspect. But in some localities and some components, they attach importance only to material results and either underestimate or pay no attention to spiritual and moral values, which makes pragmatism grow and leads to running after money and dollars at any cost, including committing illegal and immoral acts. The more adults adhere to voluntarism, the more pragmatic the young become. The fact that adults fail to behave in an exemplary manner cannot help leaving an imprint on the young.

- For a long time we have underestimated the teaching of the cultural traditions and fine morality of our nation. On the other hand, many localities have neglected the management of cultural and artistic activities, the press, and publications, and have let the bad cultural works spread and continue to exist. This situation has very seriously affected the mentality and thinking of the masses, particularly youths and teenagers. In my opinion, a serious mistake in the cultural and ideological revolution is that we have also adhered to subjective voluntarism and have been building the new socialist man and communist morality while underestimating inheriting, protecting, and further developing the nation's fine cultural and moral traditions. Even for students in kindergarten and level-I classes, we also are eager to teach political subjects, socialism, and communism before teaching them the dignity of human beings. One cannot force children to run before they can stand steadily on their feet.

In my opinion, we have not only a socioeconomic crisis but also a moral crisis. For an economic mistake, if we try hard, we can overcome it in 5 or 7 years, but for a mistake in education, culture, and morality, to overcome it must require generations. This is no less an urgent problem to be resolved than an economic problem.

- Besides the reasons mentioned earlier, in regard to organization, there is no specific organ bearing the main

responsibility and coordinating and rallying the organs in charge in order to regularly study, monitor, and resolve this problem.

[DAI DOAN KET] In your opinion, while the socioeconomic situation is encountering very many difficulties, what is the direction we should take to resolve the juvenile delinquency problem? And where should we start?

[Tho] To resolve the problem of juvenile delinquency is not something that we do only now. In the past, we had organized many industrial and agricultural general schools which were working well. Right after the South had been liberated, we built "dignity-restoring" schools and camps and organized drug detoxification facilities, "social compassion," and "Build new cultural families" movements, which brought about good results.

You are asking me where to start? In my opinion, we should start right with the various practical activities mentioned above.

- Although the present complex economic situation seriously affects security and order, we cannot simply say that we can resolve the security and order problem and delinquency among youths and teenagers only by resolving the economic problem. In order to resolve the security and order and juvenile delinquency problems, we must resolve in a total and synchronized manner all economic, social, cultural, and moral problems, and must resolve immediate and urgent problems, as well as basic and long-term ones, all at the same time.

- Morality serves as a base to ensure that the law of society is carried out in a conscious manner. Social morality is a very basic and urgent matter that needs to be keenly and totally studied by those who are responsible for the cultural, ideological, and educational work, and by social scientists and mass organizations so as to quickly overcome the serious wrongdoings today.

In addition, it is necessary to study the family structure in the Vietnamese society today and to adopt positive policies to create favorable conditions for Vietnamese mothers to carry out their noble responsibility—to bring up their children.

In addition to building morality in society, it is necessary to reexamine the teaching of morality and virtues in our schools. We are determined to train our children to turn them into the new men, the socialist Vietnamese, by combining the communist morality with the nation's fine traditions.

- About organization, in my opinion, the HCMCYU [Ho Chi Minh Communist Youth Union] must be the main force in the education and training of youths and teenagers and in displaying the positive factors, overcoming the negative phenomena, and preventing juvenile delinquency. In order to do this job the union must rally and mobilize many forces: the VFF [Vietnam Fatherland

Front], mass organizations, social organizations, organs, schools, scientists, retired people, and so on.

The people's public security forces, in close coordination with the youth union, must build at any cost assault youth forces to protect the fatherland's security, launch a youth movement to prevent and effectively fight various crimes, and resolutely crush the tough-looking hoodlums and ruffians.

About the youths and teenagers who may commit an offense that is not bad enough for them to be tried as a criminal, the youth union, women's association, in coordination with such sectors as education, labor-wounded soldiers and social affairs, public health, public security forces, and so on must properly organize industrial and agricultural general schools, work-study schools, "dignity-restoring" schools and camps, drug detoxification stations and camps, "social compassion," and so on, in order to educate and reform these youths and teenagers and to turn them into people useful for society in compliance with the Council of Ministers' Directive No 135-CT, and avoid the situation in which they lack a sense of responsibility and want someone else to do the work for them.

I would like to thank DAI DOAN KET for being concerned about this hot topic. I hope that you and your readers everywhere would contribute efforts to stepping up the mass movement to protect security and order and thus gradually reduce the present juvenile delinquency problem.

Explanation of Interview Issued

902E0046b HANOI DAI DOAN KET in Vietnamese
No 33, 15-21 Aug 89 p 3

[Text] To Our Readers

At the request of a number of our readers, we would like to clarify:

In our special issue on juvenile delinquency (No 28, 11-28 Jul 89), we published an article on DAI DOAN KET's interview with Interior Minister Mai Chi Tho under the rubric "We Are Facing Not Only a Socio-Economic Crisis, But Also a Morality Crisis..."

(Our headline was an excerpt from the written answers of Comrade Mai Chi Tho.)

Due to space limitations in our special issue, we did not publish the entire interview. If you want to see the entire interview, please look for it in a forthcoming issue of CONG AN NHAN DAN.

BIOGRAPHIC

Information on Vietnamese Personalities

902E0026a

[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

Nguyen Cong Ai [NGUYEENX COONG AIS]

Member of the Standing Committee of the CPV Committee, vice chairman of the People's Committee, head of the Municipal Planning Committee, Ho Chi Minh City; on 16 Aug 89 he attended the 45th anniversary of the Polish People's Republic. (NHAN DAN 19 Aug 89 p 4)

Nguyen Thi Binh [NGUYEENX THI BINH]

*Chairwoman of the Union of Peace, Solidarity and Friendship Associations; on 16 Aug 89 she attended the 44th anniversary of the Republic of Indonesia in Hanoi. (NHAN DAN 17 Aug 89 p 4)

Phung Van Tuu [PHUNGF VAWN TUWUR]

Vice chairman of the National Assembly; on 10 Jul 89 he attended a reception held in Hanoi to commemorate the 68th anniversary of the MPR. (NHAN DAN 11 Jul 89 p 4)

Vo Anh Tuan [VOX ANH TUAANS]

*Former SRV Ambassador to Zimbabwe; on 17 Aug 89 he bade farewell to the president of the Republic of Zimbabwe. (NHAN DAN 22 Aug 89 p 4)

Pham Tuan [PHAMJ TUAAN], Astronaut, *Major General

On 15 Aug 89 he paid a visit to Mongolia. (NHAN DAN 17 Aug 89 p 4)

Hoang Minh Thang [HOANGF MINH THAWNGS]

*Chairman of the Vietnam-Mongolia Friendship Association; on 10 Jul 89 he attended a reception held in Hanoi to commemorate the 68th anniversary of the MPR. (NHAN DAN 11 Jul 89 p 4)

Huu Tho [HUWUX THOJ]

Deputy editor-in-chief of NHAN DAN; he was present at a conference on Ha Son Binh Party members learning to organize and become rich. (NHAN DAN 4 Aug 89 p 3)

Dang Van Tiep [DAWNGJ VAWN TIEEPS]

Vice chairman of the People's Committee, Dong Nai Province; on 13 Aug 89 he accompanied Chairman Do Muoi on a visit to rubber factories. (NHAN DAN 22 Aug 89 p 1)

Nguyen Quang Tao [NGUYEENX QUANG TAOJ]

Deputy director of the Foreign Relations Department of the CPV Central Committee; *vice chairman of the Vietnam-Afghanistan Friendship Association; on 18 Aug 89 he attended a meeting in Hanoi to commemorate the 70th anniversary of Afghan independence. (NHAN DAN 19 Aug 89 p 1)

So Lay Tang [SOO LAAY TAWNG], previously recorded as SOW LAAY TAWNG

Chairman of the People's Committee, Gia Lai - Kon Tum Province; his name position were mentioned in an article on the Ya Ly hydroelectric plant in his province. (NHAN DAN 19 Aug 89 p 2)

Dinh Van Tap [DINH VAWN TAAPJ], MA

*Editor-in-chief of the energy journal TAP CHI NANG LUONG; his name appeared on the masthead of the cited source. (TAP CHI NANG LUONG No 4-5, May 89 inside front cover)

Phan Nguon [PHAN NGUOON]

*Director of the Civil Aviation Department; on 16 and 17 Aug 89 he attended a meeting held by Vietnamese, Lao, Cambodian airlines in Ho Chi Minh City. (NHAN DAN 22 Aug 89 p 4)

Chau Phong [CHAAU PHONG]

*Vice chairman of the Vietnam-Indonesia Friendship Association; on 16 Aug 89 he attended the 44th anniversary of the Republic of Indonesia held in Hanoi. (NHAN DAN 17 Aug 89 p 4)

Nguyen Van Si [NGUYEENX VAWN SIX]

Secretary of the CPV committee, Gia Lai - Kon Tum Province; recently he attended the inauguration of the head office for hydroelectric construction for central Vietnam. (NHAN DAN 5 Aug 89 p 1)

Pham Van Hy [PHAMJ VAWN HY]

Head of the Rubber General Department; on 13 Aug 89 he accompanied Chairman of the Council of Ministers Do Muoi on a visit to rubber factories. (NHAN DAN 22 Aug 89 p 1)

Nguyen Tuan Lieu [NGUYEENX TUAANS LIEEIJ]

Assistant to the minister of foreign affairs; on 18 Aug 89 he attended a meeting in Hanoi to commemorate the 70th anniversary of Afghan independence. (NHAN DAN 19 Aug 89 p 1)

Nguyen Hong Nhi [NGUYEENX HOONGF NHIJ]

*Deputy director of the Civil Aviation Department; on 16 and 17 Aug 89 he attended a meeting held in Ho Chi Minh City by Vietnamese, Lao and Cambodian airlines. (NHAN DAN 22 Aug 89 p 4)

Tran Nhon [TRAANF NHOWN]

*Vice minister of water conservancy; on 18 Aug 89 he attended a meeting held in Hanoi to commemorate the 70th anniversary of Afghan independence. (NHAN DAN 19 Aug 89 p 1)

Hoang Minh Giam [HOANGF MINH GIAMS], Prof

*Chairman of the Vietnam-Indonesia Friendship Association; on 16 Aug 89 he attended the 44th anniversary of the Republic of Indonesia. (NHAN DAN 17 Aug 89 p 4)

Le Xuan Dong [LEE XUAAN DOONGF]

Deputy head of the Propaganda and Training Department of the CPV Central Committee (Ban Tu Tuong Va Van Hoa Trung Uong); on 22 Aug 89 he attended a photo exhibit on the occasion of the 45th anniversary of the Socialist Republic of Romania. (NHAN DAN 23 Aug 89 p 4)

Vu Ngoc Hai [VUX NGOCJ HAIR]

Minister of energy; chairman of the Vietnam-Poland Friendship Association; on 16 Aug 89 he attended the

45th anniversary of the Polish People's Republic. (NHAN DAN 19 Aug 89 p 4)

Phan Hien [PHAN HIEENF]

Vice minister of information; on 22 Aug 89 he attended a photo exhibit to commemorate the 45th anniversary of the Socialist Republic of Romania. (NHAN DAN 23 Aug 89 p 4)

Le Thanh Cong [LEE THANH COONG]

*Vice minister of information; on 10 Jul 89 he attended the 68th anniversary of the Mongolian People's Republic held in Hanoi. (NHAN DAN 11 Jul 89 p 4)

Giap Van Cuong [GIAPS VAWN CUWOWNG], Rear Admiral

Commander of the Vietnam People's Navy; recently he visited the Spratly Islands. (Ho Chi Minh City SAIGON GIAI PHONG 5 May 89 p 1)

Ho anh Dung [HOOF ANH ZUNGX]

Deputy secretary of the Central Committee of the Vietnam Fatherland Front; recently he attended the 6th congress of the Lai Chau Fatherland Front. (DAI DOAN KET 18-22 Feb 89 p 2)

Nguyen Viet Dung [NGUYEENX VIEETJ ZUNGX]

General secretary of the State Council; on 18 Aug 89 he attended a meeting in Hanoi to commemorate the 70th anniversary of Afghanistan independence. (NHAN DAN 19 Aug 89 p 1)

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13 November '89